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Freedom's New Task

Address by Secretary Dulles¹

As we meet here at Independence Square, our thoughts inevitably turn to the world scene, where freedom is at stake. It is a moment of unusual significance. The Soviet rulers are reforming their lines. The Soviet 20th Congress, which adjourned last night, was busy revising the Soviet Communist creed. We cannot yet fully appraise what has happened. And, in any event, it takes time for doctrinal changes to get fully reflected in the mind and conduct of the party members.

But two things at least we know. One is that there is already a notable shift in Soviet foreign policy. And the other is that these Soviet policies which they change are being changed not because they succeeded but because they have been thwarted by the free world.

Until recently the foreign policy of Soviet communism was based on fanatical intolerance of all other systems and upon the organization of violence to overthrow all other systems. Marx, Lenin, and Stalin all taught that it was necessary to hate all who differed from the Soviet Communist creed; and they also taught that only by violence could international communism achieve its destined goals.

But the free nations, when confronted by this policy, grew more strong, more resolute, and more united. Consequently the Soviet pattern of hatred and violence produced ever-diminishing returns.

In Europe the defensive strength of NATO was rounded out by the addition of the Federal Republic of Germany.

In the Western Pacific freedom was consolidated by adding to our ANZUS, Philippine, and Japanese treaties the new Mutual Defense

Treaties with Korea and with the Republic of China. And the Congress, you will recall, authorized the President to use the armed forces of the United States in the Formosa area, if necessary, for its defense.

In Southeast Asia the Western powers joined with Asian powers in a treaty for collective security, and they transformed the Indochina struggle from a struggle against colonialism to a struggle by truly independent nations—Viet-Nam, Laos, and Cambodia—to maintain their freedom.

In the Middle East the "northern tier" concept, without challenging the concept of Arab unity, has drawn together for collective defense four nations which, for 2,500 miles, lie just south of Russia's frontiers.

Back of these formulations of free-world resolve lay the vast mobile power of the United States, which constituted a formidable deterrent to open armed aggression.

So the Soviets had either to give up their expansionist aims or turn to other means to advance them. Lenin and Stalin had taught that, under these circumstances, there should be no giving up but rather a shift to new methods. So, last year, the Soviet rulers concluded that the time had come to change basically their approach to the non-Communist world.

Shift in Soviet Methods

In May of 1955 the Soviet rulers signed—at last—the Austrian State Treaty; they made their pilgrimage of repentance to Tito; they offered to establish diplomatic relations with Germany and to make a belated peace with Japan. In Asia the Chinese Communists, at the Bandung conference, gave at least lip service to methods other than outright violence. The Soviet rulers trumpeted all

¹ Made before the Philadelphia *Bulletin* Forum at Philadelphia, Pa., on Feb. 26 (press release 92 dated Feb. 25).

this throughout the world as proof that Soviet Communist policy was no longer predatory.

We hoped that this was so. But we were highly skeptical. We well knew that under Leninism any tactic is admissible and that the change had come about, not through change of heart, but because old methods had failed.

On the other hand, we knew that the new Soviet tactics of increased tolerance and less dependence upon violence required a basic change in Soviet Communist doctrine. This can, in the long run, have major internal consequences and set up within Russia powerful liberalizing trends.

But, of course, the fanatical teaching of a generation cannot be erased all at once. Also the change had not gone so far that there could not almost overnight be a sudden reversal to the old practice of intolerance and violence. Also we could only safely assume that the new tactics were designed as a new means of conquest. So we did not relax our vigilance or allow our military posture to slump.

But, on the other hand, we do not assume fatalistically that there can be no evolution within Russia or that Russia's rulers will always be predatory. Some day—I would not want to guess when—Russia will be governed by men who put the welfare of the Russian people above world conquest. It is our basic policy to seek to advance the coming of that day.

So last spring, when Soviet conduct began to change, we determined to do all that we safely could to make that change a first installment toward an eventual Russian state that would be a normal, not abnormal, member of the society of nations. One major step we took was to join with Britain and France to invite the Russian rulers to a conference of Heads of Government. At that "summit" conference at Geneva, President Eisenhower did more than any other man could have done to open up to the Soviet rulers the vista of a new era of friendly relations between our countries.

We cannot yet measure the full effect of that conference. The gains will be measurable only in the future. For the time being, the Soviet rulers, finding that the road of intolerance and violence was blocked, have subordinated those elements of their old creed in the hope that, in a new garb, they could still pursue conquest. Now they pursue their foreign policy goals with less manifestation of intolerance and less emphasis on

violence. Their foreign policy now puts large emphasis upon seeking political cooperation with left-wing socialists, whom formerly they detested. Finally, there is heavy emphasis on trade and economic assistance. It is this economic aspect of the Soviet "new look" that I would consider today.

Soviet Economic Campaign

This Soviet economic campaign is a varied one. It includes the barter of surplus arms into areas where tensions were already high. There are highly publicized purchases of agricultural commodities from a few countries where mounting surpluses have exposed the vulnerabilities of economies lacking in diversity. Incidentally, the Soviet bloc, with typical cynicism, has reexported some of these commodities to markets that the original sellers normally would supply. And the bloc has made loans to a selected number of countries.

This policy has been directed especially toward certain peoples in the Near East and South Asia. There the Soviet rulers believe that they can also exploit historic grievances for their own ends. But the new Soviet policy roams far and wide. Even African and South American countries are receiving Soviet economic propositions.

What is the import of this new economic campaign of the Soviet-bloc countries?

The first thing to note is that Soviet capital exports divert resources from the Soviet people, who still lack many of the ordinary decencies of life. On this we have the testimony of Mr. Khrushchev in his recent speech to the 20th Communist Party Congress. There he stated:

It must be said that we do not yet have an adequate quantity of consumer goods, that there is a shortage of housing, and that many of the important problems connected with raising the people's living standards have not yet been solved.

Still quoting Mr. Khrushchev:

Production of many important foodstuffs and manufactured goods still lags behind growing demands. Some towns and communities are still insufficiently supplied with such items as milk, butter, and fruit. There are even cases where supplies of potatoes and other vegetables are irregular. There are also difficulties in supplying the population with certain high grade manufactured goods.

The Soviet Union, of course, has the capacity to do much to lift up the living standards of the Russian people which Mr. Khrushchev described and to give them opportunities for greater happi-

ness. There was indeed a moment when it seemed that this might become the Soviet policy. Mr. Malenkov, as the Prime Minister who first succeeded Stalin, advocated more consumer goods and better quality goods for the Soviet people. But Mr. Malenkov was quickly removed from leadership, and his successors resumed the policy of forcing the Russian people to work primarily to build up the power machine of the State. The output of consumer goods—food, clothing, and housing—was firmly relegated to a secondary place.

Under these conditions can we accept at face value the Soviet professions that its foreign economic activities are primarily designed to help others? Actually in this campaign the Soviet Union is seeking to advance its interests.

It is important, therefore, to examine how the Soviet Union sees its interests.

Unvarying Soviet Pattern

Throughout its 38 years of existence, the Soviet pattern has been unvarying. Whenever the opportunity has arisen, the Soviet Union has swallowed up its neighbors, or made satellites of them, or subordinated them in other ways.

The future may well produce a different Russia. But today changes in creed and conduct are looked upon as ways to make it easier to achieve old goals of conquest. If there is less apparent intolerance and less reliance on violence, there is perhaps more reliance than ever on division, enticement, and duplicity.

On December 29, 1955, speaking to the Supreme Soviet, Mr. Khrushchev stated the fundamental precept:

If certain people think that our confidence in the victory of socialism, the teaching of Marxist-Leninism, is a violation of the Geneva spirit, they obviously have an incorrect notion of the Geneva spirit. They ought to remember once and for all that we never renounced and we will never renounce our ideas, our struggle for the victory of communism.

In his lengthy speech to the 20th Party Congress, Mr. Khrushchev promised "fundamental social transformations"—this means a Communist Party dictatorship—to any nation unwary enough to allow its political life to be undermined by the Communist apparatus.

We must assume that the intent behind the Soviet economic campaign is to subvert and communize the nations that are its targets.

Purpose of U.S. Aid Programs

The United States is engaged in programs of economic assistance to the less developed countries. Our programs have been in progress for a number of years and have totaled billions of dollars.

By these programs we too hope to advance our legitimate national interests. We have never pretended otherwise.

But again the crucial question is: What are those interests and how are they intended to be served?

Our interests will be fully served if other nations maintain their independence and strengthen their free institutions. We have no further aims than these. We want a world environment of freedom. We have shown this, time after time, by electing to give freedom where we could have had conquest. Our historic policy, reflecting the will and the views of our own free people, is wholly compatible with the interests of the less developed countries as their leaders themselves have expressed them.

"Industrialization" a Magic Word

The political leaders in the less developed countries are entirely capable of judging the purposes and principles of other nations. They are for the most part men of political experience. In many cases they have had an active part in winning for their countries political independence. They have no desire to preside over the loss of that independence.

The wisdom and patriotism of the political leaders of the newly independent nations are among freedom's greatest assets. These men are not blind to Soviet purposes and past actions.

But we must also recognize that the Soviet Communist experiment has won for itself a considerable popular prestige in the less developed countries. In these countries "industrialization" is a word of magic. It is a slogan that the people have come to believe will solve all domestic economic and political problems. The peoples of these countries do not like to be dependent upon the industrialized West for manufactured goods. For the most part they now have political independence, but they do not yet have what they consider to be adequate economic independence.

The neighboring Asian peoples have seen the Soviet Union within a generation develop itself into a major industrial power. These observers

are but only dimly aware of the fact that the Soviet rate of progress was possible only because natural conditions favored and that, even so, its cost in human servitude has been tragically high. They are like those of us who admire the pyramids, the palaces, the temples, and the coliseums which despotic rulers once produced out of slave labor. We are only dimly conscious of the cost in terms of human misery.

So it is with the peoples of less developed lands who are informed in extravagant terms of the industrial monuments which have been built by the Soviet masters of 220 million subject peoples.

And when Soviet propaganda says to less developed peoples, "See what we have done for ourselves—with our help, you can do the same," there is a strong temptation to accept that so-called "help."

The political leaders of these countries, however wise they may be and however patriotic they may be, will find it difficult to resist the public pressures which Soviet propaganda arouses, unless there is some alternative.

The industrial nations of the West, with matured and vigorous economies and much well-being, can and must provide such an alternative.

Support Needed for Long-Range Projects

Western efforts to advance the economic well-being of the less developed countries are nothing new. We need not be panicked by the new Soviet economic policy.

With or without the so-called "competition" of the Soviet Union we propose to go forward with sound policies to aid the economic progress of less developed countries.

Normally under our system private capital could and should do the job. And indeed much private capital today flows into many less developed countries. But it flows only where the political and economic risks are deemed tolerable. In much of the world these risks are such that private capital is not ready to take them. If capital is to be found, a substantial part must be provided on a public basis which spreads the risk so that it is not appreciable in terms of any single individual.

This is one of the purposes of our Mutual Security Program, which now, in one form or another, is in its eighth year. The economic part of that program amounts this year (ending June 30) to about \$1,700,000,000. Much of this is used

to help our allies, particularly in the Far East and in Asia, to support adequate military establishments of their own. Of the total, approximately \$600 million will assist, by loan or grant, in capital developments in other lands.

This year we are asking Congress to appropriate for next year's economic program \$100 million more than is available for this year. The capacity to spend wisely depends on many factors, and we should not appropriate, in a panic, merely because of Soviet economic activities. There is, however, need for somewhat greater flexibility and for greater continuity, as regards support for long-range projects.

Some of the development projects which are most significant will take several years to complete. It is difficult for the countries concerned to arrange for financing these projects unless United States support can be relied upon not just for one year at a time but for several years. Also, with United States support it is easier for them to procure funds from other sources, such as the World Bank.

We believe, therefore, that the United States Government should have authority to commit some such amount as \$100 million a year for several years for long-range projects which will develop to an important degree the economic strength of less developed countries. Without that limited long-range authority we take a risk which is quite unjustified having regard to the relatively small cost of avoiding it.

Facing the Future With Confidence

If our Nation and the other free nations play their proper part, we can face the future not with complacency that would be disastrous but with confidence.

I do not wish to minimize the threat of the Soviet "new look," of which the economic campaign is a part. It is true that economic assistance knows no territorial limits. And we must count on the Soviets and their local Communist Parties to press their policies with vigor.

But we should reflect that Communist successes in the world so far have come when Red armies were at hand. No people has willingly accepted the Soviet type of Communist dictatorship.

Communist open aggression has now been checked by the cohesion, resolution, vigilance, and strength of the free nations. Let us never forget that this is what deflected the Soviet rulers from

primary reliance upon violence, to which they were dedicated by creed and which they are skilled to practice.

They came up against the granite of a declared and strong resolve. If that granite should turn to putty, then violence and threat of war could again become the order of the day. These will require new efforts without relaxation of the old cohesion, vigilance, and strength.

Meanwhile we have new problems, but the new efforts will be of a kind that is in accord with our tradition.

This Nation was conceived with a sense of mission and dedicated to the extension of freedom throughout the world. President Lincoln, speaking at this very Independence Hall, said of our Declaration of Independence that there was "something in that Declaration giving liberty, not alone to the people of this country, but hope for the world for all future time. It was that which gave promise that in due time the weights should be lifted from the shoulders of all men and that all men should have an equal chance."

That has been the spirit which has animated our people since they came together as a Nation. We have, it is true, acquired much for ourselves. But also we have had in large measure the greatest of all satisfactions—that is the satisfaction which comes from creating and from sharing.

We have created at home and we have also created abroad. We have shared here at home and we have shared abroad. Today the greatest opportunity for creation and for sharing lies in those areas which, possessed of great economic and human potentials, have not yet realized the opportunities which are theirs.

We have unprecedented resources with which to create and with which to share. Our 160 million people, working in freedom and with ample leisure, produce over three times as much as do the 220 million of the Soviet Union working in servitude. Our industrial techniques are beyond compare. Our desire to create and to share with others is not a political plot; it is an expression of the spirit which has long animated our Nation. It is not a product of government; it is a product of the faith of our people.

Let me conclude with words which Benjamin Franklin wrote from Paris on May 1, 1777:

"It is a common observation here that our cause is the cause of all mankind, and that we are fight-

ing for their liberty in defending our own. It is a glorious task assigned us by Providence; which has, I trust, given us spirit and virtue equal to it, and will at last crown it with success."

Offer of Aid to Countries Affected by Severe Winter

Statement by the President

White House Office (Thomasville, Ga.) press release dated February 19

I have observed with growing concern the reports that have come from Western European countries regarding the suffering and damage that has been caused by one of the worst winters in that area—possibly the worst in the past two or three decades.

I want to extend my country's deep-felt and sincere concern for the suffering peoples in the afflicted areas.

The United States stands ready to make supplies of agricultural commodities which we have in abundance available for relieving the distress of the people in these areas. I have consulted with the Secretary of Agriculture, and, while it is now too early to assess the damage realistically, both for the present and the immediate future, there is every indication that there will be need for such supplies. It has been reported, for example, that France alone has lost about one-third of her current wheat crop.

I know that the people of the United States will deem it a real privilege to put these agricultural commodities to the great service of relieving the suffering of our Western European neighbors. Such commodities can be made available for this purpose under authorities which already exist, pursuant to past actions taken by the Congress.

Statement by Lincoln White Acting Chief, News Division¹

In line with the President's expressed intention, our Ambassadors in all European and Near Eastern countries affected by the present storm and cold-wave disaster have been instructed to inform those countries of the desire of the United States to assist them in alleviating suffering and

¹ Made to correspondents on Feb. 21

overcoming immediate damage resulting from the extreme temperatures and possible floods that will result therefrom.

The Ambassadors have been asked for estimates of the damage and the extent and means by which the United States might be of assistance in the various countries. The Ambassadors have been further requested to expedite their rec-

ommendations with regard to emergency conditions in order that maximum alleviation of suffering may be accomplished.

Our offer of assistance is being made by our Ambassadors in London, Paris, The Hague, Brussels, Oslo, Copenhagen, Rome, Athens, Ankara, Luxembourg, Lisbon, Madrid, Bonn, Vienna, Belgrade, Bucharest, Budapest, Warsaw, and Prague.

Efforts Toward Preserving Peace in the Near East

Statement by Secretary Dulles¹

Almost 3 years ago I visited practically all of the Arab States and Israel.² This is a region sacred to three great religions—Christianity, Islam, and Judaism. Also I was impressed with the strategic importance which the Near East possesses in its geographic situation between Europe, Asia, and Africa. This area has great significance to the free world from the standpoint of communications—land, sea, and air—and because of its resources. The countries of Western Europe, for example, especially those associated in the North Atlantic Treaty Organization, are large users of petroleum from the Near East.

The United States has long been interested in the course of events in the Near East. The people of the United States and its Government have many interests and objectives there.

I should like to deal this afternoon especially with our efforts toward the preservation of peace in that area and steps which we are taking to assist the Arab States and Israel to resolve their problems.

During recent years, especially following the outbreak of hostilities in the Near East in 1948, the members of the United Nations have become increasingly concerned with respect to peace in the area. In 1949 a series of armistice agreements

between Israel and its Arab neighbors converted the truce into a more permanent arrangement. Great credit goes to the United Nations representatives: Count Bernadotte, who tragically lost his life there; Mr. Ralph Bunche, who succeeded Count Bernadotte; and General Burns, who is presently supervising the activities of the United Nations Truce Supervision Organization. The United States throughout has strongly supported the representatives of the United Nations in their efforts.

In a move consistent with the efforts of the United Nations, the United States joined with the United Kingdom and France on May 25, 1950, in the issuance of a joint declaration which set forth their deep interest in promoting the establishment and maintenance of peace and stability in the Near East.³ The three Governments there recognized that the Arab States and Israel all needed to maintain armed forces for the purposes of assuring their internal security and their legitimate self-defense and to permit them to play their part in the defense of the area as a whole. The three Governments reaffirmed at the same time their opposition to the development of an arms race between the Arab States and Israel. A third and vital part of the declaration of 1950 is contained in the statement of their unalterable opposition to the use of force or threat of force between any of the states

¹ Made before the Senate Foreign Relations Committee on Feb. 24 (press release 96).

² For a report on this visit, see BULLETIN of June 15, 1953, p. 831.

³ *Ibid.*, p. 834, footnote.

in the Near East. The three Governments stated that, should they find that any of these states was preparing to violate frontiers or armistice lines, they would, consistently with their obligations as members of the United Nations, immediately take action, both within and without the United Nations, to prevent such violation.

During the past 6 months substantial amounts of Soviet-bloc arms have been sent to the area. The Soviet bloc has thus complicated the problem which the United Nations has sought to solve. Conditions for an arms race now exist as certain countries of the Near East vie with one another in the purchase of military items. Israel now wishes to obtain arms from the United States and elsewhere, and we have received similar requests from several of the Arab States which have not acquired arms from Russia or its satellites. While realizing that the introduction of large quantities of Soviet-bloc arms could upset the balance of arms within the area, we do not believe that a true peace can be based upon arms alone.

In requesting arms from the United States, representatives of Israel have expressed fear that their country's peaceful existence is threatened. It is natural that in the circumstances they would wish to increase their military capabilities. However, Israel, due to its much smaller size and population, could not win an arms race against Arabs having access to Soviet-bloc stocks. It would seem that Israel's security could be better assured, in the long run, through measures other than the acquisition of additional arms in circumstances which might exacerbate the situation.

These other measures include reliance on the United Nations, by which Israel was created and of which Israel and the Arab States are important members. The charter of the United Nations binds all of them not to threaten or use force. The United States, United Kingdom, and France, as I indicated earlier, announced their intentions in the declaration of 1950. More recently, President Eisenhower and Prime Minister Eden referred to this declaration⁴ and stated that they had made arrangements, in which the French have joined, for joint discussions as to the nature of measures to be taken in light of that declaration. All of these possible measures add up to a more effective deterrent than additional quantities of arms.

As I have indicated on previous occasions, the United States does not exclude the possibility of arms sales to Israel at a time when it will preserve the peace. We do not exclude the possibility of arms sales to the other Arab States under similar conditions.

Arab-Israel Problems

Beyond the basic and pressing problems of the preservation of the peace is the urgent need for a settlement between Israel and her Arab neighbors. A solution to this deep and bitter struggle is the key to the future prosperity of the region.

As I reported in my statement of August 26, 1955,⁵ three problems require conspicuously to be solved: the plight of the refugees, the pall of fear that hangs over the Arab and Israeli people alike, and the lack of fixed boundaries between Israel and its Arab neighbors. There are other important problems, but I believe that, if these three principal aspects could be dealt with, the way would be paved for the solution of others.

During the intervening months we, as a friend of both Israelis and Arabs, have continued to give the situation deep and anxious thought. We have discussed the manifold problems and their ramifications with the representatives and governments of the countries in the area, as well as with our British and French colleagues who joined us in the Tripartite Declaration. Such discussions take place on a continuing basis through diplomatic channels. We maintain regular contact with the United Nations and particularly with General Burns, who is in active pursuit of means to preserve the peace. We have reiterated to each our readiness to contribute to a just and equitable settlement.

In my August 26 statement, with the authority of the President, I expressed in concrete terms how the United States would be willing to assist toward such a settlement. I believe it would be of value to review these suggestions again; they were put forward after the most serious and comprehensive review of the situation. They remain valid offers today.

To end the plight of the 900,000 refugees through resettlement and, to such an extent as may be feasible, through repatriation requires that more arable land in the area be created and

⁴ *Ibid.*, Feb. 13, 1956, p. 233.

⁵ *Ibid.*, Sept. 5, 1955, p. 378.

that adequate compensation be paid to the refugees. If Israel cannot now, unaided, make adequate compensation, we proposed consideration of an international loan for this purpose, to which the United States would contribute. President Eisenhower further authorized me to state that he would recommend that the United States contribute to the realization of water development and irrigation projects which would facilitate the creation of more cultivable land. The United States, through the support given to the consideration of the Jordan Valley Development Plan (the "Johnston Plan"), has already indicated its willingness to assist in this aspect of the problem.

Border Guaranties

Given a solution to other related problems, the President has further indicated his willingness to recommend that the United States join in formal treaty engagements to prevent or thwart any effort by either side to alter by force the boundaries between Israel and its Arab neighbors. We would hope other countries would participate in such a security guaranty and that it would be sponsored by the United Nations. Through such measures we believe that we would reduce substantially the acute fears which now plague the life of the area.

We recognize, in speaking of guaranteeing borders, that prior agreement on what the borders are is essential. The present existing armistice lines were not designed to be permanent frontiers in every respect. A more permanent and agreed line is necessary. In spite of conflicting claims and sentiments I believe the achievement of such a line is possible, and the United States remains willing to assist in the search for a solution.

We are not unmindful of the other problems, such as those of economics and of the status of Jerusalem. I have not attempted to enumerate all the issues, but if agreement can be reached on the basic problems of refugees, boundaries, and fear,

we firmly believe it should be possible to find solutions to the other remaining questions.

The attainment of peace in the Near East was much in our mind during the recent talks with Prime Minister Eden and his associates. In our final joint communique we reiterated that our two Governments have declared their readiness to contribute to a settlement by assisting financially in regard to the refugee and by guaranteeing agreed frontiers.

The permanent security of the states in the area and their future peace and prosperity will not rest primarily upon arms but upon the international rule of law and the establishment of friendly relations among neighbors. It is our firm policy, as a friend to both sides, to work toward the creation of such an atmosphere in the Near East.

Current Legislation on Foreign Policy: 84th Congress, 2d Session

Effects of Malnutrition and Other Hardships on the Mortality and Morbidity of Former United States Prisoners of War and Civilian Internees of World War II: An Appraisal of Current Information. Message from the President transmitting the report of the Secretary of Health, Education, and Welfare pursuant to Public Law 744, 83d Congress. H. Doc. 296, January 12, 1956. 69 pp.

Report of the Study Mission to Europe of the House Committee on Foreign Affairs pursuant to H. Res. 91, a resolution authorizing the Committee on Foreign Affairs to conduct a full and complete investigation of matters relating to the laws, regulations, directives, and policies including personnel pertaining to the Department of State and such other departments and agencies engaged primarily in the implementation of United States foreign policy and the overseas operations, personnel, and facilities of departments and agencies of the United States which participate in the development and execution of such policy. H. Rept. 1683, January 26, 1956. 30 pp.

Proposed Supplemental Appropriations for the Department of State in Form of Amendment to the Budget. H. Doc. 322, January 30, 1956. 2 pp.

Authorizing the Loan of Two Submarines to the Government of Brazil. Report to accompany H. R. 8100. H. Rept. 1687, January 30, 1956. 4 pp.

Immigration and Nationality Laws. Message from the President transmitting recommendations relative to our immigration and nationality laws. H. Doc. 329, February 8, 1956. 6 pp.

For a Better World

by Deputy Under Secretary Murphy¹

The New York Province of the Newman Clubs has greatly honored me by inviting me to take part in your convention dedicated to the theme "For a Better World." This is a goal to which we all aspire. We can find guidance in our search for a better world in the life of Cardinal Newman himself and from the principles to which your clubs are devoted. Newman's *Apologia* and *The Idea of a University* remain classics today and were fitting inspiration for Timothy Harrington when he called his fellow students together to found a Newman Club at the University of Pennsylvania.

John Henry Newman is a symbol of those who struggled for and attained happiness based on faith and spiritual understanding. His life was devoted to service of our faith and to increasing human understanding. We of the 20th century would do well to approach the difficult problems of our world in the spirit of calm and detached contemplation Cardinal Newman achieved.

Although he lived in what now seems a simple age, Newman's life-span covered a period of great ferment and change. In the 19th century, industrialization was gathering momentum in Western Europe and the United States. New economic and social theories were challenging and testing the existing order. The concerns of the times were concerns about material things. It was said that men should have more goods; that goods should be more equitably distributed; that society should be reorganized to provide the maximum material benefits, to provide the greatest good for the greatest number.

Most of the economic and social ideas of the

¹Address made before the New York Province of the Newman Clubs at New York, N.Y., on Feb. 12.

19th century were idealistically conceived. They were intended to solve the problems created by new political institutions, by growing populations, and by the industrial revolution. The 20th century, however, has seen some of these schemes and theories used in practical life, and used in such a way as to destroy whatever may have been good and to bring to dominance the error and evil they contain.

The materialist creed of Karl Marx, with its negation of faith and spirituality, its worship of the state alone, has become the enforced gospel of nearly a billion people, almost half the population of the world. Its economic dogmas have been adapted by Lenin, Stalin, and their successors to political and imperialist programs designed to promote Soviet communism into every part of the world. While this is an ideological purpose of vast significance, it serves handily as a cover, and an effective cover, for Russian expansionism.

These doctrines have strong appeal for many peoples who are striving to improve their conditions and their standards of living. These peoples are often reluctant to believe that Communist intentions are predatory, that economic gain under the Marxist system will inevitably be at the expense of political liberty and spiritual freedom.

International Communism Well Armed

International communism is well armed for the struggle to which it is so fully committed. Its military forces include the two largest land armies in the world. It possesses substantial air power and a growing stock of nuclear weapons. A huge percentage of the budgets and the resources of the U.S.S.R., of Red China, and of course the Eastern European satellites is devoted

to "national defense, armament and internal security." Vast quantities of manpower are allocated to these purposes. As you know, these millions of men and women have little or no choice when it comes to military service or, in fact, any labor for the state. Political and economic control is maintained by power in the hands of a few at the top and by tight organization in the ranks.

By denying the needs of its own and subject peoples, the Soviet Union can set aside goods and equipment for export where it foresees political gain. Thus it can focus its resources on a given world area if it sees in that region a possibility of political gain. In the same way it can export technical assistance. And to the war of ideas it devotes vast resources which it can mobilize without much regard for public opinion. It has mastered the art of making the worse appear the better cause, of making the undemocratic sound democratic, of cloaking aggressive aims with peaceful words.

To meet this threat, a threat to the security of nations in addition to our own, the United States cooperates in an immense effort by the free nations to build their common strength. As a great power we have special responsibilities whether we welcome them or not. We have formed a system of alliances not only for mutual defense but for economic and social cooperation. We are doing much to drive home the story of what the free nations stand for and what international communism means. Our strength is great, and we intend to remain strong. We intend to remain economically strong, militarily strong, and in particular morally strong. We must maintain faith and confidence in the values for which the United States stands. As Secretary Dulles has said:

The Government of the United States has, I like to believe, a rather unique tradition in this respect. Our Nation was founded on an experiment in human liberty. Our institutions reflect the belief of our founders that all men were endowed by their creator with inalienable rights and had duties prescribed by moral law. They believed that human institutions ought primarily to help men develop their God-given possibilities, and that our Nation, by its conduct and example, could help men everywhere to find the way to a better and more abundant life.

We share the tradition of a respect for human liberty and moral law with a number of the nations with which we are now in close alliance. We must build upon these traditions and concepts if we are to build a better world. We must teach the new nations emerging in Asia and Africa

the importance of these ideals. We must show them they can and must be adapted to their own conditions. We must teach by example that a society without moral value and without principles is doomed to fail, no matter how hard it struggles to build up economic and military power.

Battle for Men's Minds

Not long ago Archbishop O'Boyle of Washington delivered a thoughtful and stimulating sermon on the conflict we face. "When mercy is considered treason," he said, "when truth is classed as a lie, and good is called evil, we are indeed faced with a monstrous perversion of human nature, a denial of every ideal that civilized man has cherished."

The Archbishop accurately noted that communism appeals not only to the disgruntled, the bitter, and the neurotic members of a community, but also to men of sensitive nature and high ideals. He declared that there is danger we may look at the world struggle too narrowly, that we may concentrate too much on the economic, military, and political menace of communism, and so neglect the battle for men's minds. "The American people should speak out," he concluded, "through their proper organizations and representatives, on the real nature of communism. We should realize that the struggle is total, and not merely a matter for government action only."

This is where I think you members of the national Newman Clubs have a major role to play. Why not mobilize your talents and your great abilities to spread an affirmative doctrine of the things for which your Government stands?

The United States is today making a tremendous effort to win the battle for men's minds. Our Government has a worldwide information program which is doing an effective job in many areas. Many nongovernmental groups are also doing excellent work in meeting foreign peoples and explaining our way of life. Missionaries, labor leaders, businessmen, and thousands of other Americans are a vital part of our effort here and abroad to increase international understanding.

In the battle for men's minds, we should make a particular effort to reach those men whose thoughts and ideas will be decisive in guiding the policies of the new nations in Asia and Africa. As Archbishop O'Boyle said: "In wide areas of the world, men of learning are the real leaders of their nations. This is particularly true in the na-

tions newly freed from colonial status. It is in these very areas that the power of communism is growing with sobering speed."

Sometimes Americans have trouble understanding the attitude of the people of new nations. Usually these young nations want to solve their own problems their own way. They distrust foreign help and advice. They have an intense desire for rapid economic development. They know little about the Soviet Union, but they are told its achievements are vast. Efforts are being made to persuade them that the pattern of Soviet industrial development has more meaning for them than the freer, more humane process by which the institutions of the United States and Western Europe were developed.

The tours of Bulganin and Khrushchev to India, Burma, and Afghanistan are efforts by the Soviet Union in the new direction. We would be foolish to deny that the new Soviet policy presents us with dangers and a challenge. Where formerly the Iron Curtain implacably shut off the Soviet Union and its satellites from the rest of the world, we now see "traveling salesmen," with broad smiles and back-slapping, offering tempting "bargains" to the uncommitted nations. There are offers of economic and military aid, proposals for treaties of friendship, requests to set up diplomatic posts, and plans for interchange of experts in many fields.

It is ironic and typical, however, that at the same moment they speak of peace and friendship in India, Burma, and Afghanistan, the Soviets and their Communist allies continue their nuclear tests, their threats of war to take Taiwan, and their warnings of reprisal upon Iran and Pakistan for participation in the Western defense system. In a sense, the Soviets have put a new wrinkle in their traditional policy of "zigzag." They have found it possible to "zig" and "zag" at the same time. They continue to show plainly, for anyone who cares to look, that aggression is still their end, to be pursued by peaceful talk or warlike threats, or both—whatever suits the need of the moment.

By their own deeds they warn us again that we cannot relax our vigilance, we cannot lower our guard.

I have spoken to you already of the means—military, political, and economic—by which we must keep ourselves and our allies prepared to de-

fend themselves. But the willingness and the ability to undertake our defense, while essential for avoiding war, is neither the only means nor the best means, in the long run, for preserving peace. We believe in a forward strategy not only in the military sense but in the political and social sense. As President Eisenhower put it earlier this year:

The sum of our international effort should be this: the waging of peace, with as much resourcefulness, with as great a sense of dedication and urgency as we have ever mustered in defense of our country in time of war.

One of the highest tests, I think, of the greatness of a nation is the test, in times like these, whether we can be strong enough to win a war, yet gentle enough to help the weak; resourceful enough to gain great wealth, but wise enough to use it well.

Responsibility for Moral Leadership

Moral leadership is a great asset in any struggle. It is especially important in the present world battle for the minds of men and women everywhere. The responsibility for moral leadership in our country certainly rests upon our Government, but not upon government alone. It is also the direct responsibility of our churches and schools, of youth organizations such as the Boy Scouts and the 4-H Clubs, and especially of all these Newman Clubs of which we are justly proud. These agencies, civic and religious, must maintain the spiritual vigor and moral strength of the people who run our Government, who man our fighting forces, who carry on our dealings with other lands, who cast the votes that decide the course our Nation follows.

I am certain that your organization is doing a great deal, but you can do more. I have had close contact over the years with many young men and women who have been trained by our Catholic colleges and universities and shaped under the guidance of the Newman Clubs and other groups. Most of them measure up admirably to the challenges they face.

But none of us must forget that the evil forces that oppose are tireless in their self-criticism, in their manipulation of government programs, educational institutions, and youth programs. Their brutal efficiency is high, and, in all realism, we can expect it to go higher.

The moral superiority that our values, our sys-

tem, have over those of the Soviets *can* and *should* be decisive in this contest between us. But it is not inevitable. Our values must be applied. Our system must be made to work. We must match their tirelessness with our own, their efficiency with ours, if our moral superiority is to be decisive. As we seek to win the allegiance of the uncommitted nations to our standards and our values, we must do it by our deeds as much as by our words.

These nations will watch us, first, to see how we apply our values among our own people. Our record in this respect is good, though certainly not perfect. The opening of the channels of opportunity, the emphasis on free choice and private initiative in the past few years has brought prosperity for nearly all Americans. In addition, progress has been made through legislative and judicial efforts to bring about greater social justice among our people.

Not only are we being watched in applying our values to our own people, we are being watched in applying them to other peoples. Here, again, we do not need to apologize for our efforts. In the past 10 years a number of nations have won their freedom from colonial control. It has been our policy to respect this new freedom. By our economic strength and in many ways we have helped it to survive and to grow.

It has also been our policy to support the further attainment of freedom by subject peoples who desire it. In particular we support the liberation by peaceful means of the peoples of Eastern Europe, who have been unwillingly made subjects of the "new colonialism" of the Communists.

Another means by which we have given moral leadership is through our efforts to bring about disarmament. The whole world was thrilled by President Eisenhower's proposal of "atoms for peace" in 1953, and again by his proposal for aerial inspection to insure disarmament in 1955.

The final means by which the United States has rendered moral leadership in the world is the courage, the determination, the high principle, the good faith with which President Eisenhower, Secretary Dulles, and the leaders of our Government, with the full backing and support of the American people, have faced the perils and the opportunities of this age in which we live.

Your convention is dedicated to the theme "For

a Better World." In these remarks I have tried to outline for you, perhaps inadequately, some of the obstacles that lie in the road to a better world and, more important, some of the means by which we will surmount these obstacles. You who are on the threshold of your careers will play, I know, a major role in achieving our national objectives.

To all of you I wish Godspeed and good luck as you go forward with your own efforts to bring this better world into being.

President Appoints U.S. Members of Great Lakes Fishery Commission

The White House announced on February 18 that the President had that day appointed the following to be members of the U.S. section of the Great Lakes Fishery Commission:

John L. Farley, Director, Fish and Wildlife Service, Department of the Interior

Lester P. Voigt, Director, Conservation Department, State of Wisconsin

Claude Ver Duin

The Commission was established by the Convention on Great Lakes Fisheries, which entered into force on October 11, 1955.¹

Aviation Talks With United Kingdom

Press release 95 dated February 24

Discussions between United Kingdom and United States civil aviation officials will be resumed in London on March 5. The talks will cover various civil aviation matters of interest to both countries including possible route modifications.

The U.S. delegation will include Livingston Satterthwaite, Special Assistant to the Deputy Under Secretary of State for Economic Affairs, *chairman*; Chan Gurney, member of the Civil Aeronautics Board, *vice chairman*; Joseph H. FitzGerald, Director of the Bureau of Air Operations, Civil Aeronautics Board; and Edward A. Bolster, Chief of the Aviation Division of the Department of State.

¹ For background, see BULLETIN of Oct. 24, 1955, p. 677.

Peace Through Strength: A Look at the North Atlantic Treaty Organization

by Katherine G. Howard

The North Atlantic Treaty Organization came into being as the result of a treaty signed at Washington on April 4, 1949. What are the factors that helped bring NATO into being? What is its purpose? How can it contribute to the defense of the free world? I'd like to go back to the beginning of NATO and recount how it all started.

Ten years ago there was the end of the war in Europe. We all breathed a sigh of relief. We all disbanded our armies.

Meanwhile the Soviet Union continued to maintain the biggest peacetime army in history. While the Western nations moved promptly to restore freedom and democracy to lands occupied during the war, the Soviet Union absorbed the nations of Eastern Europe one by one. By 1948 Poland, East Germany, Hungary, Rumania, Bulgaria, and Czechoslovakia were all behind the Iron Curtain. The Soviet Union constantly pressed forward to expand its territory and power and finally tried to take Berlin through the Berlin blockade—so gloriously broken by the United States airlift.

Under these circumstances it was evident that the United Nations (in which the Soviet has a veto) could not *alone* assure security and peace. But the United Nations Charter had guaranteed its members the continued right of individual and collective self-defense, and the resolution proposed by Senator Arthur Vandenberg, and passed by the Senate 64 to 4, became the cornerstone of NATO. This resolution provided for "association of the United States, by constitutional process, with such regional and other collective arrangements as are based on continuous and effective self-help and mutual aid, and as affect its national security."

Twelve nations signed the treaty at Washing-

ton—twelve nations diverse in size and in language but sharing the long cultural background of Western civilization and bound together in a fierce determination to withstand aggression and preserve the peace. These twelve nations were, alphabetically, Belgium, Canada, Denmark, France, Iceland, Italy, Luxembourg, the Netherlands, Norway, Portugal, the United Kingdom, and the United States. In 1952 they were joined by Turkey and Greece and, in 1955, by the West German Federal Republic.

As the first and only woman delegate to NATO from any country, I have found it a stirring experience to be associated with what Lord Ismay, Secretary General of NATO, has described as "the most challenging and constructive experiment in international relations that has ever been attempted." Peace is NATO's overriding objective. NATO seeks to prevent aggression through the maintenance of strength and unity on the part of the free world.

Field Marshal Montgomery, Deputy Supreme Allied Commander, says that "as a regional pact within the United Nations Organization, NATO is the most effective organization in the world today. The strengthening of NATO on both the political and military side is all-important." He also quotes Gen. Alfred M. Gruenther, Supreme Allied Commander, Europe, as saying that peace in the

• Mrs. Howard, author of the above article, is Special Adviser to the Federal Civil Defense Administrator and Permanent Alternate U.S. Delegate to the NATO Civil Defense Committee. This article is based on a series of recent addresses by Mrs. Howard.

modern world cannot be assured without military power, and that military strength is necessary not only to resist aggression if we are attacked but also to give our political leaders a firm basis on which to bridge the gap between the East and the West. We all know how desperately the Soviets tried to dynamite NATO and wean Germany away from NATO at the Geneva conference.

The accession of Germany as the 15th member of NATO was a great triumph for the Western democracies. I was in Germany in October and in Paris in November of 1954, at the time the London and Paris Agreements were being made. In fact, the United States NATO Civil Defense Delegates—Federal Civil Defense Administrator Val Peterson and I—were the first to welcome the Germans into the family of nations at an official reception. They are valuable allies and have much to offer to NATO on both the military and civilian sides.

Unity and Strength

How does NATO preserve the peace? By unity and strength. The NATO treaty in article 5 provides that an armed attack against one is an attack upon all. That means that no potential enemy in the future can devour his victims one by one.

Under article 3 of the treaty, the nations agree to develop their individual and collective capacity to resist aggression. And so to the collective forces, first under General Eisenhower, then General Ridgway, and now General Gruenther, the United States contributes 6 divisions, Great Britain 4 divisions, and West Germany will contribute 12 divisions.

It has been natural to give primary emphasis to military strength, but do not think for a moment that NATO is purely a military alliance. If it were, there certainly would be no place in it for me! One prays that the day will come when it is no longer necessary to spend vast sums on unproductive things—like tanks and guns. Under article 2, the signatories pledge themselves to promote cooperation between each other in social, cultural, economic, and political fields. And the NATO treaty proclaims as its first objective the determination of the member governments to “safeguard the freedom, common heritage and civilization of their peoples, founded on the principles of democracy, individual liberty and the rule of law.”

North Atlantic Council

As part of this pattern of the rule of law, the governing body of NATO is civilian. Many years ago Clemenceau said as a wisecrack, “War is much too important to be entrusted to the military,” and we might add—peace even more so. In NATO, where peace, through the twin instruments of strength and unity, is the goal, the top governing body is the North Atlantic Council, composed of the Secretaries of State or Foreign Ministers of the member countries. They constitute a sort of North Atlantic cabinet for NATO affairs. It is a council of governments, not individuals. It has no authority independent of national governments and can reach decisions only if all the governments agree. Therefore, it is clear that NATO does not affect the sovereignty of the United States or any other government.

Naturally, Secretaries of State and Foreign Ministers have important business at home and cannot be in Paris all the time, but the work of the alliance has to go on. Therefore, each country has a permanent representative in Paris with the rank of ambassador. Our representative is Ambassador George W. Perkins, former Assistant Secretary of State. The countries take turns in alphabetical order in chairing the foreign ministers’ meetings, but Lord Ismay is the permanent Vice Chairman of the North Atlantic Council and the Secretary General of NATO. He is assisted by an international staff, composed of men and women from all 15 nations.

Military Committee

Another important unit in the organizational setup is the Military Committee, on which each member nation is represented at the Chief of Staff level. This group plans the broad military policies of NATO. The task of giving regular guidance and direction to NATO’s operating military agencies has been given to the Standing Group, which consists of one member from France, one from the United Kingdom, and one from the United States. This group helps direct the operation of NATO’s Supreme Commands, including SHAPE [Supreme Headquarters Allied Powers, Europe].

And, speaking of the Standing Group—one morning last fall when I was in Paris, Sir John Hodsoll, the Senior Civil Defense Adviser to NATO, telephoned me and said: “I’ve arranged

for you to meet Lord Ismay this afternoon. I thought I'd tell you in advance so that you can wear your prettiest hat." And so I met the Secretary General for the first time. He has tremendous warmth, strength, and personality. A great friend of Winston Churchill's, he seems to have many of the same qualities. He quoted Winston Churchill as saying to him when he went to bid Churchill goodbye before leaving London for Paris and NATO: "I hope you won't find it necessary to put Britain absolutely last on every possible occasion!"

Lord Ismay has the quality of putting you at your ease and drawing you out, so that I found myself telling him a great deal about my impressions of Germany and the reactions of the people there to German rearmament and the adherence of Germany to NATO. When my 15 minutes were up, his secretary came in and I rose to leave. "Don't go," he said, "I want to talk to you a little longer." His secretary looked troubled. "It's only the military," he said. "In civil defense," I replied, "we usually have to stand aside for the military." Ten minutes later when I emerged with Sir John Hodsoll into the outer office, it was filled with the generals who compose the Standing Group, and I gasped.

Let us return to the civilian side of the NATO organization. In addition to the Civil Defense Committee, there is a Medical Committee, a Refugees and Evacuees Committee, a Planning Board for Ocean Shipping, a Petroleum Planning Board, and several others. A recent important development on the civilian side has been the establishment of the Senior Civil Emergency Planning Committee, which is on the same level as the Military Committee and which coordinates the work of all the civilian committees.

Civil Defense

It was natural that, when NATO was first organized, emphasis was on a unified command of land, sea, and air forces. With the great progress made under the Supreme Commanders, and with the advent of thermonuclear warfare and the growing realization that, in coming wars, cities and people will be the targets, there is increased emphasis on the civilian side of NATO. No army can fight if the home front is gone. No factories can produce the sinews of war if the factories and the people who work in them are gone. No war

can be won if the people's morale is broken.

I was told in one European country that after severe bombing the people said to their government, "Give up—give up—we can take no more"; whereas in England, where more bombing was absorbed, the nation survived because of the indomitable courage of all the people from Winston Churchill to the newsboy on the corner. And whereas Winston Churchill's courage sustained the whole free world, civil defense helped sustain the newsboy on the corner and others like him.

And so there is increasing importance attached to the civilian side of NATO. All civilian committees have been asked to examine their work in view of thermonuclear warfare, and I am pleased to hear from many quarters that the Civil Defense Committee is outstanding in the scope and grasp of its work.

Lord Ismay told me that, when he first reported to NATO, he called on General Eisenhower, who said to him: "I wish you'd get something going on civil defense." Consequently, the first Planning Committee for Civil Defense met at Paris in February 1953, just before I joined the Federal Civil Defense Administration. Another meeting was held in November of that year which I attended, as I have all subsequent meetings, as Alternate United States Delegate when Governor Peterson, the Federal Civil Defense Administrator, attends, or as Chief United States Delegate in his absence.

Much preparation is necessary. One must be thoroughly familiar with all aspects of civil defense, as well as with the contents of the NATO documents under discussion. Most NATO documents are classified "secret" and can only be studied in one's office or at the United States Mission in Paris. Before leaving the country, one is given a security clearance marked "cosmic" and promises never to leave NATO documents in a hotel room or to discuss NATO affairs in a public place.

In the beginning, the Civil Defense Committee worked largely on World War II concepts of how to deal with fire, rescue, etc., in a war waged with conventional bombs. Great Britain's heroic and valiant work was the model, and we owe her a tremendous debt of gratitude. With the development of atomic and hydrogen weapons, the scope of the Committee's work has broadened to cover all aspects of saving life and property and maintaining morale and the will and the means to survive and win under conditions of total warfare. The United States has willingly shared, within

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security limits, all her knowledge and know-how with the other NATO nations.

The Civil Defense Committee is composed of the heads of civil defense in all the NATO countries—General Worthington of Canada, General Erwin of Great Britain, the head of Civil Defense in Norway, etc.

All Decisions Unanimous

Unity is a keynote of NATO, for all decisions must be unanimous. Think what that means when dealing with countries as diverse as the United States and Luxembourg, or Norway, Iceland, and Turkey. And yet in both the Council and the Civil Defense Committee decisions are made, and the last word is, "It is agreed," for all decisions must be unanimous. NATO is not a supranational power. No country or group of countries, however powerful, can tell any country, however small, that it must do this or must do that.

It is a useful and heartwarming exercise in international relations to have full and free discussion and then to hear these words, "It is agreed."

What, then, has NATO accomplished?

First of all, NATO has helped to prevent war. Secretary Dulles has said that this is due in large part to the strength and unity of the Atlantic peoples.

Secondly, NATO has helped to protect free Europe against Communist aggression, and we in the United States realize that the enslavement of free Europe would give the Soviets the means to attain industrial and scientific superiority over our own country. It is significant that the Communists have not gained any new territory in Europe since NATO was formed. NATO has supplemented our national defense system, for the protection we get from our own armed forces is increased by allied forces of even greater size, and we and our allies have worked together in constructing joint air bases to be used for rapid and effective retaliation in case of attack.

Third, between the NATO countries there has been a great increase in cooperation, in mutual sympathy and understanding, and in willingness to help each other. Things are agreed and done today that would never have been thought possible 5 or even 3 years ago.

I would like to conclude with a quotation from General Eisenhower, who said:

"NATO symbolizes the unity of free men in an age of peril. Fourteen [now fifteen] nations, diverse in language and economy and custom and political structure, are joined within it because each nation is determined to sustain its own independence. Dedicated to a common purpose, their strength is multiplied, their inexhaustible energies are pooled.

"During my service with NATO there were many uniforms worn, many tongues spoken at my headquarters. But daily I found new inspiration in the unity of spirit among my comrades.

"The inspiration remains with me; a cherished memory, a heartening proof that free men, united, can face any peril unafraid. NATO is visible evidence that, in cooperation among the free peoples, we can best preserve our common heritage of freedom against any threat."

Negotiations With Netherlands for Air Transport Agreement

Press release 94 dated February 24

The Department of State announced on February 24 that arrangements have been made between the United States and the Netherlands for the initiation in Washington on April 5, 1956, of negotiations concerning an air transport agreement between the two countries.

New Certificate Forms for Strategic Imports

A new, improved import certificate form now is available to U.S. importers of strategic goods, the Bureau of Foreign Commerce, U.S. Department of Commerce, announced on February 9.

The new form, FC-826, has been revised to reduce paperwork for U.S. importers by incorporating certain statements which formerly had to be entered separately. A French translation also is included to make it easier for foreign governments to use the certificate.

Use of the revised form will become mandatory on March 10, 1956. It is available at all Department of Commerce field offices and from the Bureau of Foreign Commerce in Washington.

U.S. import certificates are used in the Import Certificate-Delivery Verification (IC/DV) procedure which became mandatory in October 1952. It is operated by the United States in cooperation

with 15 other countries to prevent transshipment of strategic goods.

Under this procedure, the U.S. or foreign importer certifies to his government that the strategic goods he wishes to import will not be

reexported without official authorization. The importer's government then issues an import certificate which the importer must transmit to his foreign exporter in support of the export license application.

Industrial Progress in Spain

by John Lodge
*Ambassador to Spain*¹

Today I would like to talk about some of my impressions of the state of the Spanish economy—impressions, believe me, of a sympathetic observer who is interested in learning all he can about your country, your people, and how you work. I think it is particularly appropriate to talk at this time about the Spanish economy, for the Spanish military effort—the world position of Spain—rests upon Spain's economic strength.

I have had the privilege to be in your country for more than 10 months now, and I have visited many parts of Spain and talked to thousands of your citizens. As a result of these visits and these associations, I have formed a number of impressions. Five weeks in the United States put me in touch once more with some of our own problems, and my return to Spain has given me the opportunity to evaluate my earlier impressions of your economic situation. Then too the advent of a new year is always a time for stocktaking. And so it seemed to me appropriate to make those impressions the theme for my talk today.

Before going any further, however, I think I should change the emphasis in the description I have used of myself as a "sympathetic observer." Actually, I could have used a considerably stronger term to describe my interest and the interest in my country in Spain. Since the signature of the Spanish-American agreements of September 1953,² we have been partners. We are much more than

sympathetic—the United States has an important stake in a vigorous and expanding economy in Spain, and we are glad to be in a position to cooperate with our Spanish friends in the realization of that objective.

One of the strongest impressions I have gained of Spain is that her people are industrious and that they possess the will to improve their economic status. I have seen many examples of this and of the ingenuity and determination of the Spanish worker, who can make the best of situations despite lack of adequate resources and the most modern equipment. It is precisely these qualities which enabled Spain to recover from the ravages of the Civil War to the extent that she did even prior to 1953. Since then the tempo has greatly increased. Those advances are recognized both inside and outside of Spain, and this considerable achievement under great handicaps has gained for Spain many admirers abroad.

Furthermore, there is a shortage of the equipment which would permit Spanish workers to expand the production of those goods needed to raise the standard of living. Part of these shortages stem from the physical destruction which took place during the Civil War, while others reflect a shortage of foreign exchange to purchase modern machinery which is obtainable only from a few foreign sources. With the gradual acquisition of proper equipment, production is being significantly expanded in a number of sectors of the Spanish economy where deficiencies now exist. The solid progress which has recently been made in these areas is encouraging to the friends of

¹ Address made before the American Chamber of Commerce at Seville on Jan. 26.

² BULLETIN of Oct. 5, 1953, p. 435.

Spain. Members of the Embassy staff who have been in Spain as long as 3 or 4 years have repeatedly remarked to me about the vast improvements which have been made during the time that they have been here. We Americans are pleased to be participants in this effort.

Condition of Spanish Economy

I was glad to note in the press a few days ago statements by several ministers of the Spanish Government which confirmed some of our impressions of the condition of the Spanish economy. A study of these statements reveals the real advances which have been made during the past 5 to 10 years. Minister Planell's summary of the industrial progress made in 1955 pointed up the significant gains which were made in several key sectors of the economy, particularly electric power and steel production. These industries are fundamental to economic development, and Spanish Government programs have emphasized their expansion in order to support a higher level of economic activity in Spain. Nearly 35 percent of U.S. economic assistance available for capital equipment has been allocated to the Spanish electric power and steel industries. We are glad to note the progress which is being made in these important sectors of the economy. After recurring periods of electricity restrictions, which hold back production of all kinds of goods needed in the domestic economy, the increase of 16 percent in production of electricity in 1955 over 1954 is particularly gratifying.

With respect to an adequate supply of consumer goods on the domestic Spanish market, recent statements of Minister of Commerce Arburúa are especially significant. His comments also referred to imports to meet the need for these commodities as well as to provide items of capital equipment. The Minister stressed the fact that the value of imports in 1955 had risen to a new high. This expansion in the volume of imports is, of course, encouraging. The capacity to pay in foreign exchange for this greater amount of imported goods is largely due, of course, to expanded production in Spain and increasing sales abroad. It also reflects Spain's rise as one of the key tourist centers in Europe. I am informed that last year more than a quarter of a million Americans visited Spain, as compared to 4,500 visitors in 1947.

The beauties, the traditions, the hospitality and

the charm of Spain, and the warm friendliness of the Spanish people have proved to be great attractions for thousands of my compatriots. They tell their friends in the United States about their interesting and pleasant sojourn in this fascinating country, and they return themselves.

A portion of the goods imported into Spain last year was financed through the Spanish-American economic programs. Some of the commodities being imported under these programs are consumer goods or raw materials which immediately enter the Spanish market. Primary examples are cotton and vegetable oil, the major portion of which is made available to Spain in exchange for pesetas, part of which we loan to the Spanish Government. There is, therefore, a very direct American interest in this phase of our economic programs, which at the same time provides a means for supplementing the supplies of these commodities available in the Spanish market without requiring the expenditure of any foreign exchange.

U.S. Financing of Capital Equipment

However, a large portion of the economic assistance which the United States is providing to the Spanish economy is not felt immediately, as it is in the case of consumer goods or raw materials. It is, I think, important to recognize this. Much of our program is designed to finance the procurement of capital equipment which generally takes a comparatively long time to build and deliver, and a longer time to begin the production of consumer goods. For example, a blast furnace for a steel mill will, when installed, add to the availability of steel products in the economy, but the timelag between the funds and the production of finished steel products may be as long as 3 years. We are also cooperating to provide other types of assistance the effects of which are not readily apparent, as in the case of an item such as a tractor. We are, for instance, glad to be able to contribute rails and ties for the reconstruction of the RENFE lines between Seville and Madrid and between Seville and Cádiz. This will provide faster, safer, and more economical travel between these points.

With respect to the immediate future, Minister Arburúa stated in his interview that he expected increased availabilities of goods in the domestic market. I can assure you that we in the Embassy are tremendously interested in helping the Minister to bring this about. Officials of our eco-

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conomic mission are currently discussing with Minister Arburúa and his associates the final details of the American economic programs for Spain for the current fiscal year. The economic aid projects are directed particularly to those sectors of the economy where additional support is needed. I consider it especially notable that we are negotiating a program for the sale of American surplus agricultural commodities in Spain this year totaling more than \$92 million, greater even than last year's agricultural commodity program.

It is only logical that you members of the Spanish-American Chamber of Commerce in Seville should be interested in the effect of the United States programs in this particular area. I have already mentioned the project for the reconstruction of the railway lines connecting Seville with Madrid and Cádiz. Reconstruction work is also being undertaken on the highways to those two cities, using machinery brought to Spain under the economic assistance program. Other economic projects include supplying equipment to increase production in certain sectors of the industry and agriculture of the region.

Air Base Construction Program

However, the aspect of the new relationship between our two countries which is most evident in this area is the military base construction program. Three bases for joint Spanish-U.S. use are now being built near Seville—one at San Pablo airport, one at Morón de la Frontera, and a naval base at Rota. This program has brought a number of Americans far from their homes to this part of Spain to work on these projects which are so vital to the security and safety of the entire Western World. I cannot stress too strongly the importance of this program. When the construction of the bases is completed, the places of the civilian technicians will be taken by members of our air and naval forces in the three areas named. They will be Americans from all parts of the United States, and I am confident that you will give them a warm welcome. If any problems do arise, I can assure you that our citizens will have foremost in mind the importance to our very existence of our common effort and that solutions will be found in the spirit of good will and mutual understanding which exists between our two peoples.

There will, of course, be some very positive effects of our joint military programs in this area, in addition to the economic assistance projects which I have already mentioned. The Americans who will be among you will provide a new market for local products. This will benefit the producers, the artisans, and the tradesmen. In addition, the construction work on the bases is providing employment to a considerable number of persons, and there will be a need for many Spanish workers on the bases when they are completed.

In more general terms, trade between Spain and the United States is expanding. But a good deal more can be done to increase Spain's dollar earnings by selling to us.

In conclusion, the economic prospects for the Seville area and for other parts of Spain seem to me encouraging. The hard work of past years is paying off with the increase in the production of the fields, new factories, and modernization of industrial plants. The result will be more consumer goods.

An improvement in Spain's economy will be also in the interest of my country. We want Spain to be strong economically. In the tense international situation that exists today, the nations of the Western World must be unified against a common danger. In this unity they must base their defense on economic as well as military strength.

Spain thoroughly understands the true nature of this danger—international communism with its aggressive designs. We Americans know this, and we know that we can rely upon the courage and honor of Spain in the defense of Western civilization. We welcome, therefore, and support Spain's undertaking of increasing responsibilities in the field of international diplomacy. We rejoice over Spain's entry into the United Nations, and we look forward to an ever-increasing friendship between our two peoples.

U.S. Economic Aid to Thailand

The International Cooperation Administration announced on February 6 that thus far this fiscal year it has approved projects in Thailand totaling \$33.3 million to help that country achieve economic and political stability and maintain its security. Two other major projects, involving U.S. ex-

penditures of about \$1 million, have been suggested by Thailand and are under consideration.

The approved projects include \$4.8 million for technical cooperation, which provides specialized training to improve the professional and technical capacity of the Thais, and \$28.5 million for defense support, which is aimed essentially at expanding the economic base and improving the defense posture of Thailand.

In addition, the Department of Defense administers an undisclosed amount of military aid—weapons and supplies—from mutual security funds.

The level of ICA-administered assistance to Thailand is about the same as last year, except for the fact that this year all direct-forces support is being handled by the Department of Defense. Last year ICA provided \$12.2 million worth of commodities and contract services to Thailand's armed forces as direct-forces support.

Ten million dollars of the ICA funds this year is being provided to Thailand on a loan basis.

Thailand occupies the heartland of Southeast Asia and is in a strategic position in the free-world struggle against communism. It has been improving its defensive capabilities since the signing of the Geneva accords and the partitioning of Vietnam. U.S. aid was substantially increased last year after Thailand's economic situation had seriously deteriorated, leaving the country without adequate resources to properly support its defense budget, which had more than doubled since 1950.

Nonmilitary aid from 1951 through fiscal 1955 amounted to \$70 million, and this year's program will bring the cumulative total to over \$103 million.

Leadership in Southeast Asia

Thailand has assumed increased international responsibilities under the Southeast Asia Collective Defense Treaty, and its leadership among neighboring countries has demonstrated its key role in the development of greater regional solidarity. About three-fourths the size of Texas, it is a constitutional monarchy with about 20 million population. Thailand's orientation to the free world has been evidenced by its participation in the United Nations action in Korea, by its charter membership in the SEATO treaty, and by its cooperation with the free world in opposition to communism in other specific ways.

The Mutual Security Program objectives support the overall U.S. objective of strengthening Thailand's position as a center of non-Communist influence in Southeast Asia and a bulwark against further Communist expansion in the area.

The projects approved for financing under this year's aid program are intended to improve public administration, especially fiscal management; expand transportation and communications facilities; provide budgetary support for Thai defense forces; expand and diversify agricultural production and the economic base of the country generally; improve essential government services to the people; and promote increased solidarity within mainland Southeast Asia by joint planning and execution of projects of mutual interest.

Highway Improvement

The defense-support portion of the program includes the improvement of key parts of Thailand's road network to increase the mobility of defense forces and facilitate economic development. Another transportation project will assist in the completion of the engineering and construction of a new strategic highway between Saraburi, near Bangkok, and Korat, principal city in the underdeveloped northeast. Total cost of the road is to be about \$22 million, of which about \$13 million has now been provided by Ica.

The 200-mile road is a key to the economic development of the potentially rich but now backward northeast region. It will strengthen the economic and social ties of the northeast with the Bangkok area, bringing about more export of produce from the northeast and enabling that area to import other needed goods to improve the standard of living of the people. Lack of communication has been a great factor in the backwardness of this part of the country.

New roadbuilding equipment sent to Thailand for the job will be turned over to the Thai highway department upon completion of the highway to make possible a much-needed expansion of the whole northeastern road network, of which the northeast road will be the central trunk.

Upon completion of the road, Thai private capital is expected to begin to flow into the northeast to stimulate economic development. New land may be opened to agriculture, new small industries may be launched, and a trend away from the present one-crop rice economy is expected.

The highway project will serve as a dramatic demonstration to the people of that area of the interest held by the Thai Government and the United States in their welfare and as an example of U.S. proficiency in peaceful pursuits. Special U.S. assistance has been channeled into northeast Thailand in the last 2 years to help improve living conditions as rapidly as possible in the face of increasing Communist pressures and propaganda activity.

Other projects, such as the improvement of aeronautical ground services and meteorological services, are intended essentially to meet the needs of the Thai Air Force, which has been equipped largely through the U.S. Mutual Defense Assistance Program. Commercial aviation operating in Southeast Asia also will benefit from these projects.

Approximately one-third of the \$28.5 million defense-support funds will be used to generate local currency to help finance construction of military and naval training facilities and for other military activities. This local currency is obtained through the sale in Thailand of ICA-financed imports from the United States and elsewhere.

Assistance to the Thai State Railway is not included in this year's program because the rail extension project undertaken last year has been completed and a recent World Bank loan is expected to satisfy the more critical and immediate needs of the railway. The railway's military-support potential is being increased also by the arrival of special types of rolling stock and telecommunications equipment which were ordered under last year's program.

A new project in automotive maintenance has been approved to help Thailand realize maximum benefit from the motor vehicles which are now available in the country. The vehicle maintenance project is a logical supplement to the highway construction activities being undertaken in the program.

Other defense-support projects include a tank irrigation and water conservation program and a malaria control program. U.S. aid in combating malaria has helped the Thai Government to make rapid progress against the disease thus far, and it is expected that this year's program will provide one of the final steps in countrywide control of the disease, once Thailand's number-one killer.

Diversification of the Economy

Because the improvement of Thailand's predominantly agricultural economy is largely contingent on diversification, attention is being given to activities in industry and mining, and efforts are being made to stimulate the expansion and improvement of small- and medium-size industries through advisory services, improvement of basic facilities such as power and transportation, market surveys, and other means of attracting the participation of private industry. Although aid for this general purpose is expected to remain relatively small, it is felt to be an important part of the program and it is hoped that the aid will act as a strong catalytic force in stimulating the development of industry by private investment.

The improvement of Thailand's public administration practices is of primary importance, serving to encourage the Thais to utilize their own resources more effectively and lessen their need for external assistance.

Of the \$4.8 million provided for technical cooperation, about a third will be used to aid Thailand's program for the improvement of educational activities. Primarily through the provision of contractual and other technical services, as well as the supplying of specialized equipment, the current program includes projects to improve technical education in the Bangkok Technical Institute and in trade schools throughout Thailand; to train elementary and secondary school teachers; to improve facilities for the training of physicians, nurses, and public health officers; to establish training and demonstration centers for mechanics; and to up-grade agricultural education. In all, 25 percent, or \$1.2 million, of the technical cooperation funds is for the training of Thais in the United States.

Some of the technical cooperation funds are for the continuance of ICA-financed contracts which have sent faculty members from the Universities of Indiana and Texas and from Oregon State College to Thailand on 3-year assignments to work with Thai institutions in the fields of teacher training, engineering education, and agricultural education.

A small amount has been programmed for a new project to provide training and consulting services in connection with peaceful uses of atomic energy.

Many examples of progress resulting from joint Thai-U.S. efforts are now available. The first

phase of a project to modernize budgetary procedures and improve fiscal management throughout the government has been completed, and a contract is under negotiation to launch the second phase of fiscal management improvement. Thailand's revenue collection, especially customs, has been improved, and more progress in the fiscal field is expected to increase the availability of domestic financial resources for productive economic undertakings and for support of the defense effort.

A factfinding reconnaissance survey of the Mekong River is being undertaken with ICA aid by Thailand in conjunction with Cambodia, Laos, and Viet-Nam to determine the potentialities for development of navigation, irrigation, hydroelectric power development, and flood control.¹ The possibilities for immediate low-cost projects on segments of the river to bring immediate benefits to the people of the area will be shown, as well as recommendations for a series of long-range studies necessary for proper development of the river.

The Thai Railway has been extended for 30 miles to link Udorn and Nongkai, and important segments of the highway network are being rebuilt. The railroad extension, financed jointly by the Thai Government and the United States with an ICA contribution of \$4 million, is of especial importance to land-locked Laos; it will permit greatly increased trade at substantially lower transportation costs than have prevailed heretofore.

Economic development will benefit substantially from improved transportation, the lack of which has been a major deterrent to economic growth and progress.

Accomplishments in Agriculture

Increasing accomplishments are being reported in agriculture, especially in the area of agricultural diversification. The livestock improvement effort is moving ahead rapidly with the use of about 400 head of cattle and hogs which have been imported for use as breeding stock. Disease control facilities are having an increasing effect on the health and productivity of local livestock. Experiments and demonstrations on the production of forage crops have indicated that corn production, the storage of grain sorghum silage, and the production of improved grasses are quite feasible

in Thailand in support of livestock production.

Yellow dent corn seed has been propagated successfully in the northeast, and field demonstrations have proven its adaptability. Enough proven corn seed has become available during the last harvest season to supply most farmers in Northeast Thailand.

Puerto Rican sweet potatoes introduced by the U.S. technical cooperation program into Northern Burma, have been transplanted into Northern Thailand. Stock is now being made available for distribution to farmers in areas surrounding five different experimental stations. This new sweet potato produces twice the quantity of potatoes as the native variety and is of higher quality. It has a shorter growing period and is better liked by both the Thai people and the local livestock.

Essential government services to the people have been improved in many ways. Spraying of houses with DDT under the government health service has been under way since 1951, but last year one of the final major operations was undertaken with the objective of extending protection to all malarious areas in Thailand, areas containing 10 million people. The homes of about 7 million people had previously been sprayed. After 3 successive years of housespraying, malaria has been eliminated in a number of areas.

\$26.4 Million Allotted to Pakistan in Mutual Security Funds

Allotment of an additional \$26.4 million in mutual security funds to Pakistan was announced on February 18 by the International Cooperation Administration, bringing the total of U.S. economic assistance to the country thus far from 1956 fiscal year funds to \$62.4 million. The new allotment will be used to help Pakistan develop agriculture and natural resources, industry and mining, health and sanitation, and transportation.

Previously allotted this year was \$6 million for technical cooperation and \$30 million to purchase such commodities as iron and steel, industrial machinery, motor vehicles, nonferrous metals, and chemicals. Commodities are now moving into Pakistan at the rate of \$1 million a week under a commodity allotment of \$40 million from 1955 fiscal funds.

The largest single development to be aided by

¹ BULLETIN of Jan. 9, 1956, p. 52.

the new \$26.4 million allotment is a multipurpose earth dam on the Karnafuli River in crowded East Pakistan, for which \$8.4 million is being earmarked. This project, located 30 miles upstream from the port of Chittagong on the Bay of Bengal, is designed to raise the economic standards of the people of East Pakistan, which is about the size of the State of Alabama but has a population of more than 45 million—15 times that of Alabama.

With an initial capacity of 80,000 kw., the dam will be a source of cheap power for industrial and home use, improve flood control measures on the Karnafuli River, and provide water storage for irrigation. The project has been under construction by the East Pakistan Government since 1952. Total cost in all currencies is the equivalent of \$65 million. The U.S. contribution to date, including the new allotment, is about \$12.6 million.

New Procedures for Distribution of Stable Isotopes

Simplified procedures for the domestic and foreign distribution of stable (nonradioactive) isotopes and rare earths produced by the U.S. Atomic Energy Commission were announced on February 15 by Chairman Lewis L. Strauss.

Under the revised procedures neither domestic nor foreign applicants will be required to file and obtain Commission approval of applications before purchasing the materials. Requests and purchase orders will be handled directly between the user and the AEC facility supplying the materials. Electromagnetically concentrated stable isotopes will be available for sale to domestic users; they were previously available only on a loan basis. Reports of results of experiments using the materials will not be required from either U.S. or foreign applicants.

The export of deuterium or deuterium compounds to any country listed as a subgroup A (Soviet bloc) country in section 371.3 of the comprehensive Export Schedule of the U.S. Department of Commerce is prohibited. Export of deuterium or deuterium compounds to any other country requires a special export license from the Department of Commerce. Prior approval of the Atomic Energy Commission must be obtained for

sale of any other stable isotope to a person in a Soviet-bloc country.

The Commission will establish annual or special quotas of the total quantity of each item to be distributed and the maximum amount which will be available to any one person, firm, or institution without special Commission approval. Samples of rare and expensive items may be loaned, provided they will not be diluted or contaminated during use.

Sale prices and charges for loan of the materials will be established by the Commission. The Commission will distribute only those materials which are not available commercially, unless the requester certifies that the commercial product does not meet purity or quantity specifications required for his research.

Stable isotopes have had important applications in basic research in such fields as biology, medicine, chemistry, and metallurgy. Rare earths also are of research interest. Stable isotopes currently available for distribution include deuterium, helium-3, boron 10 and 11, oxygen 18, argon 38, and the electromagnetically concentrated isotopes of approximately 80 elements. The rare earths included in the distribution program are those in the lanthanide series: elements 58 to 71 inclusive. Other items may be added to the list as they become available.

Stable isotopes, except deuterium, are distributed by the Stable Isotopes Research and Production Division, Oak Ridge National Laboratory, Oak Ridge, Tenn. Under the revised procedures the Commission's Savannah River plant will sell deuterium oxide (heavy water) in bulk quantities to any domestic distributor. The minimum and maximum amounts that may be purchased are 200 and 400 pounds respectively. Inquiries should be sent to the Savannah River Operations Office, U.S. Atomic Energy Commission, Post Office Box A, Aiken, S. C.

Purchasers may resell deuterium oxide in the smaller quantities used for research and development. Previously, such quantities were distributed only by the Stuart Oxygen Company, San Francisco, Calif., under contract with the Commission.

Rare earth elements are available from the Commission's Ames Laboratory, Iowa State College, Ames, Iowa.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

Calendar of Meetings¹

Adjourned During February 1956

Inter-American Council of Jurists: 3d Meeting	México, D. F.	Jan. 17-Feb. 4
U.N. Economic Commission for the Far East: 12th Session	Bangalore (India)	Feb. 2-14
UNESCO Committee on International Exchange of Publications	Paris	Feb. 6-10
Pan American Highway Congresses: Technical Committee on Terminology	Buenos Aires	Feb. 6-13
FAO Forestry and Forest Products Commission for Asia and Pacific: 1st Session of Subcommission on Teak	Bangkok	Feb. 9-18
FAO Consultation on Imports of Livestock and Livestock Products	Paris	Feb. 13-17
Inter-American Travel Congresses: Technical Committee on Travel Promotion	México, D. F.	Feb. 13-18
ICEM Executive Committee: 4th Session	Geneva	Feb. 14-18
ICAO Panel on Vertical Separation of Aircraft: 1st Meeting	Montreal	Feb. 14-22
U.N./WMO International Hurricane Seminar	Ciudad Trujillo (Dominican Republic)	Feb. 16-25
Philippine World Abaca Conference	Manila	Feb. 20-24
Pan American Highway Congresses: Technical Committee on Financing of the Pan American Highway	Caracas	Feb. 20-27
ICEM Council: 4th Session	Geneva	Feb. 20-24
Inter-American Travel Congresses: Technical Committee on Travel Barriers	Buenos Aires	Feb. 21-25
U.N. Ecosoc Committee on Non-Governmental Organizations	New York	Feb. 27-29
FAO Meeting on Desert Locust Control	Addis Ababa (Ethiopia)	Feb. 27-29

In Session as of February 29, 1956

North Pacific Fur Seal Conference	Washington	Nov. 28-
International Fair for Peace and Progress	Ciudad Trujillo (Dominican Republic)	Dec. 20-
U.N. Trusteeship Council: Standing Committee on Petitions	New York	Jan. 3-
GATT Contracting Parties: 1956 Tariff Negotiations	Geneva	Jan. 18-
U.N. Trusteeship Council: 17th Session	New York	Feb. 7-
ICAO Special North Atlantic Regional Air Navigation Meeting	Paris	Feb. 20-
U.N. International Wheat Conference: 2d Session	Geneva	Feb. 20-
U.N. Trusteeship Council: Standing Committee on Administrative Unions	New York	Feb. 21-
International Atomic Energy Agency: Working Level Meeting on Draft Statute	Washington	Feb. 27-
ILO Governing Body: 131st Session	Geneva	Feb. 27-
Inter-American Travel Congresses: 2d Meeting of Permanent Executive Committee	Lima	Feb. 27-
International Telecommunication Union: Meeting of Chairmen of Seven CCIT and CCIT Study Groups	Geneva	Feb. 29-

Scheduled March 1-May 31, 1956

ITU International Radio Consultative Committee (CCIR): Study Group XI, Color Television Demonstrations	New York	Mar. 5-
U.N. Ecosoc Commission on Human Rights: 12th Session	New York	Mar. 5-
SEATO Council	Karachi	Mar. 6-
U.N. ECAFE Subcommittee on Electric Power	New Delhi	Mar. 7-
Inter-American Institute of Agricultural Sciences: 1st Meeting of Technical Advisory Council	Turrialba (Costa Rica)	Mar. 8-
WMO Regional Association VI (Europe): 2d Session	Dubrovnik (Yugoslavia)	Mar. 12-
U.N. Ecosoc Commission on Status of Women: 10th Session	Geneva	Mar. 12-
UNICEF Executive Board and Program Committee	New York	Mar. 12-

¹ Prepared in the Office of International Conferences, Feb. 23, 1956. Asterisks indicate tentative dates and places. Following is a list of abbreviations: U.N., United Nations; UNESCO, United Nations Educational, Scientific and Cultural Organization; FAO, Food and Agriculture Organization; ICEM, Intergovernmental Committee for European Migration; ICAO, International Civil Aviation Organization; WMO, World Meteorological Organization; Ecosoc, Economic and Social Council; GATT, General Agreement on Tariffs and Trade; ILO, International Labor Organization; CCIR, International Telegraphic Consultative Committee (Comité consultatif international télégraphique); CCIT, International Telephone Consultative Committee (Comité consultatif international téléphonique); ITU, International Telecommunication Union; SEATO, Southeast Asia Treaty Organization; ECAFE, Economic Commission for Asia and the Far East; UNICEF, United Nations Children's Fund; ECE, Economic Commission for Europe; OAS, Organization of American States; UPU, Universal Postal Union; SUNFED, Special United Nations Fund for Economic Development; UNREF, United Nations Refugee Fund; CIGRE, Conférence internationale des grands réseaux électriques; ECLA, Economic Commission for Latin America.

Calendar of Meetings—Continued

Scheduled March 1–May 31, 1956—Continued

Inter-American Specialized Conference on the Conservation of the Resources of the Continental Shelf and Marine Waters.	Ciudad Trujillo (Dominican Republic).	Mar. 15–
U.N. ECAFE Railway Subcommittee: 4th Session	New Delhi	Mar. 15–
3d International Wheat Rust Conference.	México, D. F.	Mar. 18–
11th International Congress of Agricultural and Food Industries.	Santiago	Mar. 20–
8th International Congress of the Vineyard and Wine	Santiago	Mar. 21–
U.N. ECE Coal Committee.	Geneva	Mar. 21–
U.N. ECE Timber Committee.	Geneva	Mar. 26–
U.N. ECAFE: 4th Regional Conference of Statisticians.	Bangkok	Mar. 26–
ITU International Radio Consultative Committee (CCIR): Study Group XI, Color Television Demonstrations.	Paris	Mar. 27–
U.N. Scientific Committee on Radiation: 1st Meeting.	New York	March
UNESCO Conference of Experts on the Cultural Integration of Immigrants.	Caracas*	March
ICAO: 3d Caribbean Regional Air Navigation Meeting.	Ciudad Trujillo (Dominican Republic).	Apr. 3–
ITU International Radio Consultative Committee (CCIR): Study Group XI, Color Television Demonstrations.	London.	Apr. 3–
ILO Petroleum Committee: 5th Session (reconvened)	Geneva.	Apr. 4–
U.N. Economic Commission for Europe: 11th Session	Geneva.	Apr. 5–
International Instrumentation-Automation Exhibition	Oslo	Apr. 9–
UNESCO Executive Board: 43d Session	Madrid.	Apr. 9–
ITU International Radio Consultative Committee (CCIR): Study Group XI, Color Television Demonstrations.	The Hague	Apr. 10–
UNESCO Conference on Asian–U. S. Cultural Relations	United States	Apr. 10–
6th Inter-American Travel Congress.	San José (Costa Rica)	Apr. 12–
U.N. Ecosoc Statistical Commission: 9th Session	New York	Apr. 16–
WMO Executive Committee: 8th Session	Geneva.	Apr. 17–
ITU International Telegraphic Consultative Committee (CCIT): Study Group IV, Phototelegraphy and Facsimile.	London	Apr. 17–
U.N. Economic and Social Council: 21st Session	New York	Apr. 17–
International Meeting of Technical Experts and Administrative Heads of Women's Labor Bureaus.	México, D. F.	Apr. 18–
ITU Administrative Council: 11th Session	Geneva.	Apr. 21–
South Pacific Commission: 3d Session of the Conference.	Suva (Fiji).	Apr. 23–
ITU International Telegraphic Consultative Committee (CCIT): Study Group V, Joint CCIT/CCIR Committee on Phototelegraphy.	London	Apr. 23–
U.N. International Law Commission: 8th Session	Geneva.	Apr. 23–
U.N. Ecosoc Commission on Narcotic Drugs: 11th Session	Geneva.	Apr. 23–
UNESCO/OAS Regional Conference on Free and Compulsory Education in Latin America.	Lima.	Apr. 23*–
WMO Eastern Caribbean Hurricane Committee of Regional Association IV (North and Central America): 4th Session.	Ciudad Trujillo (Dominican Republic).	Apr. 25–
Inter-American Port and Harbor Conference.	San José (Costa Rica)	Apr. 25–
U.N. Committee on Information from Non-Self-Governing Territories: 7th Session.	New York	Apr. 27–
5th International Philatelic Exhibition.	New York	Apr. 28–
ILO Coal Mines Committee: 6th Session	Istanbul	Apr. 30–
UPU Executive and Liaison Committee	Bern	Apr. 30–
WMO Working Group on the International Geophysical Year 1957–58.	Geneva.	April
Inter-American Cultural Council: 2d Meeting	Lima.	May 3*–
Inter-American Ministers of Education: 2d Meeting	Lima.	May 3*–
South Pacific Commission: 15th Session	Suva (Fiji)	May 4–
U.N. Ecosoc Commission on International Commodity Trade: 3d Session.	New York	May 7–
U.N. Ad Hoc Committee on SUNFED	New York	May 7–
International Cotton Advisory Committee: 15th Meeting	Washington.	May 8–
ILO Building, Civil Engineering, and Public Works Committee: 5th Session.	Geneva.	May 14–
Inter-American Technical Cacao Committee: 6th Meeting.	Salvador (Brazil)	May 20*–
Pan American Highway Congresses: 2d Meeting of Permanent Executive Committee.	Washington.	May 21–
U.N. International Sugar Conference	New York	May 21*–
U.N. ECAFE Working Party of Senior Geologists on the Preparation of a Regional Geological Map for Asia and the Far East: 2d Meeting.	Tokyo	May 22–
UNEP Standing Program Subcommittee: 3d Session	Geneva.	May 23–
UNEP Executive Committee: 3d Session	Geneva.	May 28–
ILO Governing Body: 132d Session	Geneva.	May 28–
16th International Conference on Large Electric High Tension Systems (CIGRE).	Paris.	May 30–
U.N. ECAFE Subcommittee on Minerals Resources Development: 2d Meeting.	Tokyo	May 30–
Caribbean Commission: 22d Meeting	Cayenne (French Guiana)	May
U.N. ECLA Committee of the Whole	Santiago	May

March 5, 1956

The Economic Situation in Asia

Following are statements made at Bangalore, India, by U.S. representatives to the meetings of the U.N. Economic Commission for Asia and the Far East (ECAFE) and of the Commission's Industry and Trade Committee.

ECAFE SURVEY OF ECONOMIC SITUATION¹

The survey of the economic situation in Asia and the Far East,² prepared by the Secretariat, reached Washington in time to provide me with interesting reading material during the long plane trip out here. I have read the survey with keen interest, and on behalf of the Government of the United States wish to commend the Secretariat for the excellent piece of work it has turned out. The chapter "Post-War Economic Progress" is particularly searching in its analysis, and we agree with the conclusions reached.

I have one observation to make in connection with the survey which is offered by way of constructive criticism on a matter which unquestionably mars the otherwise general excellence of the report. The U.S. delegation believes the inclusion in the ECAFE annual survey of the section on Communist China is questionable since it is not possible to compare the verifiable achievements of the rest of the countries here represented with the unverifiable claims emanating from the Mainland. It may, therefore, result in an injustice to the other countries in the region who are putting forward facts and not propaganda. Despite the extensive efforts made by the Secretariat to present an objective report on the Mainland, I suspect it would be the first to admit the frustrations of such an attempt. Not only does it have to base its observations on secondary and unreliable

sources, but by its very terms of reference and character it is prevented from pointing up the cost to the Chinese people in human dignity and happiness involved in the alleged progress of the country. As Dr. Lokanathan³ pointed out yesterday, this chapter presents the Secretariat with almost insurmountable difficulties of acquisition and analysis impossible of any scholarly solution and perhaps takes staff time out of all proportion to its value.

Overall Increase in Output

It is gratifying to note that in 1955 output in the countries of Asia and the Far East has increased overall, although there were conflicting economic movements during the year. On the one hand, cereal production in the 1954-55 crop year was somewhat below the record crop of 1953-54. On the other hand, there were increases in the production of other agricultural products and of industrial goods, mineral output, and power generation. Especially encouraging has been a notable increase in the volume of foreign trade conditioned by growth of production in the ECAFE area, relaxation of trade and payments restrictions, and generally improved economic conditions throughout the world.

We welcome the fact that food production throughout the area generally increased, particularly because better levels of nutrition are essential to economic development in all sectors of the economy. Industrial production also has begun to develop promisingly in some countries. At the beginning of the year, rice-exporting countries still found themselves in a difficult position, but toward the end of the year it became evident that rice-exporting countries were endeavoring to expand exports through various measures, including the adjustment of prices, and thereby were able to move much of the burdensome surplus which

¹ Statement made on Feb. 4 by Howard P. Jones, chairman of the U.S. delegation to the 12th session of ECAFE (Feb. 2-14).

² *Economic Survey of Asia and the Far East, 1955* (available at U.N. sales offices; price, \$2.50).

³ P. S. Lokanathan, executive secretary of ECAFE.

earlier was a major problem. The continued development of irrigation facilities and the emphasis on improving agricultural production techniques throughout the area are encouraging evidence of the tremendous progress that is being made toward the solution of the basic problem of providing adequate food for the increasing population of the Far East.

The U.S. recognizes the importance to most countries of the region of the production of primary commodities by doing all we can to maintain our purchases from this region at a high level. I believe my colleagues here will agree that the success of our efforts has made a positive contribution to the economic development of the region and to the stability of markets for these commodities.

As pointed out by M. De Seynes,⁴ during 1955 the world market price for natural rubber reached a level which enabled rubber-producing countries of this region to increase their foreign exchange earnings from rubber. There is little need to point out to this group the importance to these countries of the large volume of natural rubber purchased by the U.S. Of interest to you also is the fact that the U.S. Government, during 1955, sold all but one of the government-owned synthetic rubber plants to private enterprises. This action will make it possible for the producers of both kinds of rubber, synthetic and natural, to reap the maximum benefits from the interplay of the free market forces. Meanwhile, natural rubber producers should continue their efforts to reduce costs of production in order to compete effectively with synthetic rubber.

The world price of tin has maintained a relatively high level and has increased substantially in recent months as a result of continued heavy demand, particularly from the U.S. Recognizing the situation as regards price and supply, the U.S. announced that it would not dispose of excess tin stocks under existing or expected conditions. The U.S. purchases of tin have served to strengthen the world market by keeping tin surpluses at low levels.

The continued progress in the ECAFE region toward the goal of economic development is encouraging. Indeed, there is evidence that in 1955 progress toward the establishment of a broad base of essential output and services, such as

power, transportation, fertilizer, cement, etc., may have been accelerated. Significant contributions have been made by foreign capital in the form of both private investment and intergovernmental or international grants and loans.

Living Standards Still Low

As the survey shows, however, the region has moved but a short distance toward solution of the problem of poverty. Despite gains of the last few years, living standards show no real advance over prewar levels. It would be too much to expect that these difficulties can be overcome between any two consecutive meetings of this Commission. As Mr. Nehru, the distinguished Prime Minister of India, has pointed out, it is generally recognized that the rate of savings and capital formation of the countries in the region is not commensurate with rates achieved by the industrialized countries of the West during the 19th and 20th centuries. The countries of the region must therefore give priority attention to the simultaneous mobilization of its human, natural, and financial resources to accelerate development. As most of the ECAFE countries are well aware, there are, in addition to the problem of mobilizing capital, a multiplicity of factors bearing on economic development, such as the problems of planning, developing, and identifying individual projects, of administration, and of reaching agreement on approaches and priorities.

We appreciate the generous mention of the U.S. bilateral aid programs in connection with the report's consideration of contributions of foreign governments. The survey refers to U.S. aid of \$322 million to Colombo Plan countries during fiscal year 1955. Total U.S. aid to the ECAFE region in fiscal year 1955 is more than double that figure. The total 1955 obligations to Asian and ECAFE countries for economic aid and technical assistance amounted to \$668 million. It seems unnecessary to take time here to review these programs, except to emphasize that in each country we are told they are contributing substantially to technical advance, economic progress, and general stability, thus directly assisting in the maintenance of the freedom and independence of these countries.

You will be interested to know, too, that President Eisenhower has asked for a continuation of these programs and assistance in the budget recently submitted to the U.S. Congress for the

⁴ Philippe De Seynes, U.N. Under Secretary for Economic and Social Affairs.

forthcoming fiscal year.⁵ He has recommended for economic and technical assistance a global total of \$1.8 billion for the fiscal year ending June 30, 1957, of which the major portion is to go to the countries of the ECAFE region. This recommendation includes provision for our international programs to provide training in the peaceful uses of atomic energy and also the annual U.S. contribution to the Expanded Technical Assistance Program of the U.N. The President has also recommended greater flexibility in the use of funds under the program and amendment of the act so as to assure greater continuity in providing assistance for development projects and programs which require a period of years for planning and implementation. I think you all are familiar with the President's fund for Asian development of \$100 million. This also is proposed to be continued in an effort to emphasize activities of benefit to the region in addition to individual countries.

There was some criticism last year of another aspect of our aid programs—that relating to the disposition of surplus commodities. We were glad to note that in the Industry and Trade Committee these criticisms were not repeated by the countries concerned and trust that the fears expressed last year have been somewhat allayed. I should like, however, to report briefly on developments since that time. First, my Government has adopted the policy that in the disposal of surpluses there will be no interference with normal markets and no sale to those countries which possess foreign exchange for purchases from their normal suppliers. Pursuant to this, my Government has conferred with the two great rice-producing countries, Burma and Thailand, when any program has been under consideration for disposal of our surplus rice. This policy has also been followed with respect to other commodities and the major producers of those commodities. These surpluses have, in brief, been distributed in such a manner as not to hurt our friends, while, at the same time, enabling other friends to feed hungry people and meet difficult and unexpected domestic shortages.

There is another substantial benefit to the surplus agricultural commodity—or P.L. 480 program as it is commonly referred to, from the number of the law which applies in the U.S. These surplus crops are sold for local currency as most

of you here present know. It is then our policy to loan most of the receipts at low interest rates and on a long-term basis for the purpose of economic development. Thus, countries participating in this program receive a double benefit without, we trust, harming in any way the primary suppliers. In this world of great human need, it would be criminal not to use surpluses to help meet this need. We shall maintain our efforts to find ways to do this without affecting adversely other primary producers.

These surpluses have also been used as outright gifts in situations of extreme emergency when people were starving. As all of you know, we have in recent years made available over 3 million tons of relief food grains for Afghanistan, India, and Pakistan. This is just one example of the alleviation of human suffering through the effective utilization of our surplus commodities. Let me reiterate—our policy is to help our friends without hurting our other friends.

Role of Atomic Energy

We should also like to make a few comments on atomic energy and its role in the economic development of this region. The whole world has been stirred by the promise held out by the peaceful uses of atomic energy. It is, of course, impossible to know the full potentialities of this great force which we have mastered, nor can we foresee or estimate the profound changes which it will bring in our lives. We do know, however, that atomic energy's potential, in many fields closely allied to economic development, is great. In medical diagnosis and therapy, in agriculture, in biology, in industry, as well as in the field of power, atomic energy can make an important contribution. We know that the interchange of information at the atomic energy conference held in Geneva last summer (and presided over by India's famed Dr. Homi Bhabha) will contribute greatly to the rapid advance in the peaceful applications of atomic energy in the years ahead.

The President of the United States desires our atoms-for-peace program to become one of the instruments for making widely available the great benefits inherent in the application of atomic energy to the peaceful pursuits of man. At the recent Colombo Plan conference at Singapore, the U.S. Government proposed that a regional nuclear center be established and announced that the

⁵ For excerpts, see BULLETIN of Jan. 30, 1956, p. 147.

U.S. would be prepared to contribute substantially toward such a center.⁶

In order to meet the need for training and experience in this field, the U.S. has initiated a threefold program: (a) We are offering courses of instruction in the U.S. to foreign students in radioisotope and reactor technology, as well as in other atom-related fields; (b) we have assembled extensive libraries of information about the atom and furnished them to countries and universities all over the world, including one presented to India last month; and (c) we have developed a program of bilateral agreements with other countries to encourage and support the installation of research reactors. Private American groups, foundations, and universities also provide know-how and assistance in various fields of scientific, technical, industrial, and agricultural activities, and they have also advised governments in economic planning and in administration.

Turning to the area of private foreign investment, while private U.S. investment in this area has not been large, it must be recognized that here lies an important source of external capital. The U.S. continues to seek measures, both within the U.S. and abroad, to encourage a greater flow of private capital, and we are stepping up advisory services to businessmen and informational programs on the existing investment situation in the countries of the region. The U.S. Congress recently authorized U.S. participation in the International Finance Corporation. The U.S. signed the Articles of Agreement of the Corporation on December 5, 1955.⁷

Furthermore, we continue to encourage the countries in the region to negotiate friendship, commerce, and navigation and investment guaranty agreements with the U.S.; and through other means, such as participation in trade fairs, we are striving to bring about a mutuality of interest and linking of commercial channels so vital to the encouragement of interest by private capital in the ECAFE countries. The U.S. in many other ways continues to promote measures to strengthen the economy of the free world. The Trade Agreements Act has been extended. Negotiations for further tariff reductions are at present taking place, and customs procedures have been further simplified. One of the major developments of

the year relating to the General Agreement on Tariffs and Trade was the accession to it of an important ECAFE country, Japan, bringing to 12 the total number of ECAFE members participating in the General Agreement.

It may be worth pointing out that the U.S. is the number-one customer of a number of the countries in the ECAFE region and a principal customer of all. This trade is conducted by the U.S. relying upon private competitive enterprise and principles of multilateralism. It therefore reflects the free choice of buyers and sellers without governmental constraint and without discrimination.

The U.S. Economic Situation

The U.S. has seen a prosperous 1955 and looks forward to a prosperous 1956. Production of goods and services has reached an annual rate of \$390 billion or better.

A swift upsurge set in toward the close of 1954, as our economy became fully adjusted to the principles laid down by the President when he took office. Industry and trade switched to full peacetime operations and took on new momentum despite reduced military and general government spending.

In 1955, the rising trend carried through from quarter to quarter, beginning with a rapid expansion in the automobile and housing industries and broadening out into a sustained general advance. New high levels of production, employment, and income made the year the most prosperous the nation has ever enjoyed.

Many factors have contributed to the current expansion. Our population has grown and continues to grow; science, research, and technology open up new vistas; new distribution methods have been developed to match mass production; industry is plowing back large portions of its profits into business; and what is most important, our people are earning more than ever before. Our governmental policies have concentrated on building an economic environment that favors an orderly expansion of private activities. At the same time we have laid the groundwork for continued stability by building into our economic system appropriate safeguards to prevent any undue fluctuation. In an aura of intense business competition which creates better and better products for more people, the individual is allowed to harvest in freedom, security, and peace the fruits

⁶ *Ibid.*, Nov. 7, 1955, p. 747.

⁷ *Ibid.*, Jan. 9, 1956, p. 54.

of his ideas and initiative. Our people are thus stimulated to achievements of moral and spiritual value within the framework of the privileges and obligations of democracy. The social consequences of all this have been manifested in greater redistribution of income, increasing levels of income, and a constantly rising standard of living.

Organized labor has contributed to the general welfare of our Republic—a “unique contribution,” according to the President—in the development of the American philosophy of labor, a philosophy encompassing the values of liberty, human dignity, opportunity, and equal rights and justice; recognizing that the economic future and interests of employers and employees are inseparably entwined in a mutual prosperity; and encompassing the concept of free collective bargaining between employers and unions without government’s unwarranted interference. Within this framework, industrial maturity has developed as is demonstrated by our splendid record of labor peace and unparalleled prosperity.

Finally, I should like to express appreciation for the work of ECAFE and to say it is in such meetings as this that the future of Asia is being determined. A famous American, during a time of one of our greatest trials as a nation, said, “No nation can exist half slave and half free.” I think this may be paraphrased to say that no world as small as ours has become can exist without an equalization of opportunity and improved standards of living for every individual, whether he be a Batak of the North Sumatra mountains or a worker in one of India’s new factories. The human spirit is on the march, and, while its promise is bright, it takes the hard thinking that is going on in meetings like this to channel this spirit into effective realization of the goals which are sought.

REPLY TO SOVIET CHARGES *

As everyone here knows, we have our differences with our Russian colleagues. I regret, however, that the distinguished leader of the Russian delegation [P. A. Maletin] has in his remarks seen fit to bring some of those differences, which are basically political, before this body and to attack by implication virtually all the countries represented here. Mr. Chairman, the United States delegation

did not come to Bangalore for the purpose of taking the time of this distinguished group in further discussing those differences or to use this forum as an arena in the cold war. We came rather with the intent to ignore political conflicts and concentrate on the economic problems of Asia with which this body was created to deal.

The Soviet delegation has, however, made certain statements to which the United States delegation must take exception.

The Soviet delegate has referred to pacts and blocs as increasing fear and tension and impelling countries of the region to divert resources for military purposes. I submit, Mr. Chairman, that the fear and unrest in the world has hardly been caused by a nation which peacefully withdrew its troops from South Korea in order to permit the Koreans to govern their own affairs, only to have an unwarranted attack launched upon an almost defenseless nation by the Communists after our withdrawal. This act of aggression was not only denounced by the United Nations, but U.N. forces are still in the field ready to repel a further invasion. Meanwhile, in both North Korea and North Viet-Nam, military buildup continues in violation of the terms of the armistice. On this subject the Russian delegate may retort that the U.S.S.R. is not involved in these matters. Mr. Chairman, international communism operates under one guise in one country and another guise in another country, but it is all part of the same global drive to enslave free peoples.

The Soviet Union talks of reduction in its own armed forces, but fails to mention that the U.S.S.R. and Communist China continue to maintain the largest armies in the world. The United States has for decades stressed the reduction of military expenditures in order to divert the resources to peaceful constructive uses and has proposed practical disarmament plans with adequate supervision which would insure that no actions would take place contrary to words. I refer to our President’s “open skies” plan, which the Soviet Union has rejected. The U.S.S.R. stands practically alone in opposing every other proposal for disarmament made by the Disarmament Commission of the U.N.

The reference to monopoly by the Soviet delegate is a strange one if intended to apply to the United States. There is no country in the world where the principle of free enterprise and open

* Statement made by Mr. Jones on Feb. 7.

competition has been so jealously guarded. On the contrary, there is no country in the world where the entire government has been turned into a giant monopoly as in the Soviet Union. The tentacles of this monopoly are reaching into many countries of the world, and trade with these monopolies forces in turn the creation of other monopolies. The pattern set by the Soviet Union is being slavishly followed in Communist China and the satellite countries. Under this pattern, the U.S.S.R. is able, as experience has shown, to change its trade position from one day to the next, to stop deliveries whenever it pleases, and in general to manipulate trade with a view to bringing their trading partners under Soviet control.

The Soviet delegate has referred somewhat slightly to the aid received by the countries of Asia from the U.S. All I have to say on this subject, Mr. Chairman, is that imitation is the sincerest form of flattery and that the sudden interest of the Soviet Union in rendering technical assistance and economic aid of itself testifies to the effectiveness of these programs. The U.S. stands on the record to which I referred the other day: More than \$600 million of aid during 1955 has been funneled from the American taxpayers by the U.S. Government to members of ECAFE and an even greater amount is being considered for the forthcoming year. This aid has been given in full recognition of the sovereignty of the recipients and, as their earlier testimony indicates, has been welcomed by them. In India alone, excluding commercial transactions, which have been on an extensive scale, the aid of the U.S. has been nearly half a billion dollars and, of this total, more than half has been in the form of grants.

The Russian delegate has referred to the industrial buildup of Red China. This is a balloon which should be pricked. From all sides we hear of the tremendous accomplishments of this region in this field. ECAFE's own economic survey of Asia and the Far East, which we are presently discussing, in table 11 on page 20 shows the industrial production of various Asian countries from 1953 to 1955. The table shows, Mr. Chairman, that the percentage increase over the previous year for Mainland China was the smallest recorded for any of the countries listed. The table shows furthermore that the rate of increase in industrial production in Communist China has declined from 31.4 percent in 1953 to 16.7 percent in 1954, and

5.4 percent in 1955. This is based on their own figures. It is interesting to note, for example, that India's rate of increase in industrial production over the previous year was nearly 50 percent greater than that of Communist China.

The Soviet delegate has attacked the economic policies of certain powers who, he says, are "trying to hamper the development of an independent national economy" in countries of the ECAFE region. He then went on to make special mention of India's development of irrigation projects and said this was a "demonstration of the Indian people's firm desire to go forward along the path of consolidation of their full economic independence." Using the very field of development cited by the Soviet delegate as a good example of how India is advancing, it is interesting to note that the U.S.S.R., despite all its platitudes, has not provided aid to India in this field, whereas the U.S. has been helping India in this field in a major way almost since the date of its independence. Many Indian technicians have been given training in this field in the United States; many American technicians are and have been working in India's Central Water and Power Commission on the design of irrigation projects and in the field of river valley development, tube well, and other water development projects; and more than \$50 million has been made available under the U.S. aid program alone to purchase construction equipment and materials needed for these projects.

The Soviet delegate also announced that it was ready to provide about 50 scholarships in its universities and technical institutions for students from the countries of the ECAFE region. It is interesting to note that in the booklet issued by the Government of India on the occasion of this session of ECAFE it is stated that more than 3,000 training awards have already been provided by the U.S. during the 4½-year period ending in 1955 to the countries in the Southeast Asian region. On the basis of these examples selected by the Soviet delegate, may I suggest that the action of the United States speaks much louder than the words of the U.S.S.R.

Mr. Chairman, I do not wish to prolong discussion, but I should like to reiterate that the aims of the Government of the United States as expressed in its bilateral aid programs and through the medium of the Colombo Plan are to promote sound economic development and expansion of trade on a multilateral basis to the end that the countries

of Asia which still possess freedom and independence may continue to maintain them.

In conclusion, I should like simply to raise two questions. The Soviets are apparently urging the countries of Asia to give up their defenses—why? The Soviets are urging the countries of Asia to refuse aid from sources other than their own—why?

U.S. SURPLUS COMMODITY PROGRAM*

Yesterday the representative of the U.S.S.R. saw fit to accuse the United States of dumping its agricultural surpluses on Asia and the Far East and of thus dislocating normal market operations and interfering with international trade. Such blatant misstatements cannot be allowed to stand unchallenged.

Even the most rudimentary knowledge of United States legislation on the subject of surplus disposal—and the administration of that legislation—should keep anyone from using the term “dumping.” If there have ever been any fears that the United States might engage in such practices in view of its large surpluses, such fears surely have been allayed by now. However, if the term “dumping” had to be used, we must admit that the United States has repeatedly “dumped” food into countries of the region—in times of flood, famine, and disaster to feed suffering people. This kind of “dumping” was of the same order as the help extended by other countries, including countries in the [ECAFE] region, to the United States when we were faced with disaster caused by floods and hurricanes. It was in the same spirit that the United States “dumped” 2 million tons of wheat in India in 1951–52 when crops failed and famine stalked the land. The United States passed special legislation to “dump” up to a million tons of food grains to help the people of Pakistan. Just last week the United States “dumped” on the docks of Bombay and Madras 20,000 tons of grain worth over \$2 million, not including shipping costs, as a gift to replace grain distributed free by the Government of India during the floods last autumn.

* Statement made on Jan. 29 by Walter M. Kotschnig, chairman of the U.S. delegation to the 8th session of the Industry and Trade Committee (Jan. 24–31). Mr. Kotschnig also was a U.S. representative to the 12th session of ECAFE.

Most people know that the surplus commodity program of the United States, which provides food for this so-called “dumping,” also provides that local currency receipts from any sales in the country getting the products may be used for economic development. It thus helps to meet some of the financial needs of the all-important development programs. We firmly believe that the development of the economies of the countries of the region with the help we give by this program to supplement the countries’ own efforts will create expanding economies which will, in turn, promote trade for the benefit of all concerned.

In these programs involving economic development, the commodities are supplied to meet increased consumption by the people. In these times of rapid economic progress and expanding economies, we believe this purpose is not only achievable but is also vital in some cases to sustained economic effort under democratic institutions.

Let me add one other observation in this context. Let me invite you to think and feel yourselves into the difficulties the American people and our Government are facing in this matter of surpluses. We did not seek these surpluses. They can be explained in the light of the situation which prevailed during and at the end of the last World War. At that time the American people strained their resources and energies to provide for the needs of our allies and friends, the needs of the hungry millions. We had to increase by every means at our disposal the productive capacities of our agriculture and bring large new territories under cultivation. I believe it is safe to say that as a result of this effort millions of people are now living who otherwise would not be alive.

As agricultural production in other parts of the world regained and surpassed the losses suffered during the war, a development which we warmly welcomed and in which we assisted, American agriculture found itself in a difficult position. We could not reverse overnight our drive for increased production or take millions of acres out of cultivation from one year to the next. We are doing our best in this respect, and only recently the administration in Washington submitted a new program which it is expected will reduce production without injuring the interests of our farmers, who are already in a difficult position.¹⁰ In the meanwhile, we are not unload-

¹⁰ H. Doc. 285, 84th Cong., 2d sess.

ing or "dumping" our surpluses on the world. On the contrary, we are spending hundreds of millions of dollars on storage every year to prevent any serious disturbance of the world markets and are thus showing a restraint which I submit might deserve some recognition. It certainly does not call for the kind of comments which the representative of the U.S.S.R. saw fit to make.

Mr. Chairman, we expect to continue these programs and other forms of economic aid during the year before us. We hope to carry on our programs in external economic assistance alone at the rate of over \$5 million every 24 hours. This economic assistance, we believe, can be deemed unprecedented in the annals of the world. We believe that it is without precedent also in regard to its underlying policy of worldwide tenders—a policy which we consider a prime stimulant to international trade.

We fervently hope and pray that this aid will help to speed up the economic development of the underdeveloped regions and particularly those of Asia and the Far East. We profoundly admire the efforts made in this respect by our friends in this region. Speaking personally, I was deeply moved by what I saw the other day at the exhibition of the achievements of the first Five-Year Plan in this country which is our host. We are happy to be able to participate in this great cooperative effort of all the countries in the region. The welfare of untold millions of people, the cause of freedom for all, and the growth of peaceful relations are dependent on the success of this effort. Gentlemen, we are with you in your great, constructive endeavors, and let no one tell you otherwise.

THE U.N. TECHNICAL ASSISTANCE PROGRAM¹¹

I should like on behalf of the U.S. delegation and as the U.S. member of the Technical Assistance Committee of the U.N. to make a few observations. I think we all agree that the Technical Assistance Program of the U.N. and the participating specialized agencies represents the most constructive program that the U.N. has been able to develop in the economic field. It has proved an effective means of making the fruits of scientific

knowledge and advance available to the less developed countries. It is thus helping them to escape the toil through which some of the more advanced countries went in developing modern techniques and technology. And it will, we believe, greatly accelerate the development of the countries of the region and the closing of the gap between the developed and the underdeveloped countries.

The program is important also because it is distinctly a program of aided self-help. As the Prime Minister of this great country has said, the success of any effort at development rests primarily with the people of the country. My country and the American people are deeply impressed by the sacrificial efforts made in this direction by the peoples of the countries of this region. We are only too happy to be able to have a share in assisting this upsurge of determined self-help.

Finally, this program is important—and I think it is a point which cannot be made often enough—because it is a multilateral program. It is one of the greatest cooperative efforts which have ever been made in the economic field. The great majority of the countries of the world are contributing to it, as is the entire family of U.N. organizations, particularly the major specialized agencies.

Perhaps the most encouraging aspect of the development of this program is the fact that a great many of the so-called underdeveloped countries today are themselves increasingly providing experts and training facilities to other underdeveloped countries. One of the most impressive figures given in this session of ECAFE is the information that India, while using the services of 59 foreign experts in 1955 under the U.N. program, had provided 50 Indian experts for service in other underdeveloped countries. There can be no better illustration of the outstanding cooperative effort which is going on.

We are pleased to note that, according to the statement of the distinguished chairman of the Technical Assistance Board [David Owen], some 36 percent of the resources of the United Nations Technical Assistance Program was being channeled in 1956 into the ECAFE region. We are also impressed by the fact that ECAFE is playing an important role in connection with the Technical Assistance Program. The ECAFE Secretariat is advising experts from foreign lands as they come into the region, which is an important aid to these

¹¹ Statement made by Mr. Kotschnig before ECAFE on Feb. 8.

experts. ECAFE is also advising governments in many ways set forth in the work program of our organization. The ECAFE Secretariat is providing a large number of studies, analyses, and reports which are of great usefulness not only to the U.N. Technical Assistance Program but also to the various bilateral programs which are being carried on. A satisfactory division of labor has developed in this respect between ECAFE as a regional commission and the operating bodies of the U.N. responsible for technical assistance. We do not believe that it would be advisable for ECAFE itself to assume such operating functions. The existing machinery operating the entire program is already highly complicated and should not be complicated any further. We believe that ECAFE as of now is already making its most important contribution to the success of the Technical Assistance Program.

U.S. Support for U.N. Technical Assistance

Mr. Chairman, after what I have said, it should be quite evident that the U.S. fully and strongly supports the Technical Assistance Program of the U.N. Our Chairman will forgive me if I permit myself to take a little credit for the United States for the initiation of this entire program within the U.N. It was the U.S. which first proposed the Expanded Program of Technical Assistance following the initiative taken by the President of the U.S. in inaugurating the point 4 program. At the same time we are the first to recognize the great contributions made by other countries and their representatives in the U.N. Special credit is due to such men as our Chairman,¹² who, in 1949, had a leading share in hammering out Resolution 222 of the Economic and Social Council, which created the framework for the Expanded Technical Assistance Program. Bonds of friendship and of cooperation were then forged which nothing can break.

Ever since those days in 1949, my country has strongly supported this program in every possible way. We are trying our very best to coordinate our bilateral programs with this multilateral program of the U.N. These programs pursue the same purpose, which is to offer assistance in the unhampered development of the various countries in the region. In this context, we are grateful for the way in which the leaders of the

multilateral program of the U.N. have been willing to sit down with us to hammer out the details of close coordination and cooperation.

I should like now to touch on another point. It is a point which requires clarification and which raises some major policy issues. I am prompted to do so by the remarks made by the representative of the U.S.S.R., which reflect some considerable confusion regarding the nature of our work and program and an attitude which is not in accord with the best interests of the program. To make my point, I have to go back somewhat in history.

Until 3 years ago, the U.S.S.R. and its satellites not only showed little interest in the program but were given to attack it on every possible occasion. In session after session of the Economic and Social Council and the General Assembly, they denounced the program as another sinister attempt of "imperialists and monopolists" to establish their control over the underdeveloped countries, to keep them in a colonial state, and to exploit them and retard their development. Neither the U.S.S.R. nor its satellites contributed any funds or services to the program.

Three years ago the U.S.S.R. for its own reasons and probably impressed by the effect of the program on the underdeveloped countries announced that it was going to make a contribution of 4 million rubles to the program, which at the artificial rate imposed by the U.S.S.R. was represented as a contribution of \$1 million. We were glad about this apparent change of heart, although the contribution appeared small indeed measured by the contributions of other countries. It might be noted in passing that the U.S.S.R. has not increased its contribution during the last 3 years, as have most of the other countries. Thus, the U.S.S.R. continues to contribute 4 million rubles per year as compared with the \$15 million of the U.S.; the \$2¼ million of the United Kingdom; the \$1½ million of France; and the \$1,800,000 of Canada, a country of 14 million inhabitants. Other countries much smaller also really strained their resources to provide substantial contributions, such as Belgium with \$440,000; Australia with more than \$300,000; Denmark, \$580,000; Netherlands, \$760,000; and Norway, \$380,000. These are the pledges which these countries made for the year 1956. The disparity in support between these countries and the U.S.S.R. is all the

¹² D. P. Karmarkar of India.

more striking since we are being told over and over again that the U.S.S.R. is outrunning economically every other country.

Soviet Policy of Inconvertibility

Mr. Chairman, we welcomed in 1953 the offer of a contribution from the U.S.S.R. What was not made clear at that time was that the U.S.S.R. would refuse to convert any part of its contribution into currencies that could be used outside the U.S.S.R. and a small group of other countries within the economic orbit of the U.S.S.R. There is every evidence that this insistence on inconvertibility reflects the determined policy on the part of the U.S.S.R. to use these funds in its own political and economic interest. It is this inconvertibility, stubbornly adhered to, which at first resulted in the fact that the Soviet contribution proved unusable. Since then, the Soviet Union has done everything possible to have these funds used along bilateral rather than multilateral lines.

Inconvertibility has meant that the Russian contribution can only be used to provide Soviet experts. It forces the U.N. to use these funds for purchases exclusively in the Soviet Union or its satellite countries. Any part of the funds allocated for scholarships can only be used for scholarships in the Soviet Union. They have been employed to finance study tours, but again only in the Soviet Union. It is a matter of note that the various invitations for visits to Soviet Russia made in this very session of ECAFE do not provide for any additional funds but again are designed to help use up the inconvertible Soviet contribution to the Program of Technical Assistance.

All this means, to be blunt, Mr. Chairman, that this contribution is used really in a bilateral sense and for the Soviet Union's own purposes. It means that the great multilateral effort in which we are engaged is being used as a smokescreen for a bilateral operation. It is evident that the Soviets are not interested in the multilateral character of our work and do not really want to support a multilateral program. They are not interested in securing supplies where they can be best secured, in offering training facilities where they can be most usefully used, or in supporting experts from such countries as India, Mexico, or Turkey to go to other countries seeking their

services. They are only interested in placing their own experts, or whatever they may be.

To highlight the situation, Mr. Chairman, I would like to suggest what it would mean if the U.S. took the same position. As has been pointed out, our contribution amounts to 50 percent of all the contributions made to the program. I wonder what the reaction would be if we insisted that 50 percent of all the supplies bought by the Expanded Technical Assistance Program had to be bought in the U.S.; that half of all the scholars and trainees supported by the program had to go to the U.S.; that half of all the experts would have to be U.S. experts; and that, of all the study tours, one half would have to go to the U.S. Such a policy might be in our interest, but it certainly would not help to sustain the great cooperative effort in which we are engaged. For this reason we have at no time attempted to impose such conditions on the U.N. and on the participating countries. As a matter of fact, speaking of experts, only 16 percent of all the experts employed under the program by the U.N. and specialized agencies are American citizens. We are perfectly willing to have our funds used to help finance the experts of other countries and particularly experts from the underdeveloped countries. We are not interested in political or economic gain for ourselves. We are interested in getting the best qualified experts into the field. In one word, we are wedded to this program as a multilateral program.

Mr. Chairman, we shall continue this policy because we believe that, unless we do so and unless the other participating countries maintain this policy, the whole multilateral U.N. program will be jeopardized. We have scrupulously observed the policies laid down in Resolution 222 as it was written in 1949. The policies laid down there are essential to the success of our common efforts. If this U.N. program is to be used as a coverup for various bilateral programs, there is real danger not only that it will break up into a large number of unrelated bilateral programs but that our whole great effort will be wrecked.

Mr. Chairman, I apologize for having spoken with some feeling on this subject, but I do feel strongly about it. The issue I have raised is an important issue on which much of the future of the program depends. I would like to conclude this part of my observation with an appeal to the Soviet delegation to fall in line with the rest of

us, to uphold the principles on which this multilateral program is built, and to make their funds freely available so that they can be used in the best interest of the underdeveloped countries and in such a way as to render them most effective.

TREATY INFORMATION

Current Actions

MULTILATERAL

North Atlantic Ice Patrol

Agreement regarding financial support of the North Atlantic ice patrol. Opened for signature at Washington January 4, 1956.¹

Signatures: Netherlands, February 17, 1956; Greece, February 23, 1956.

Postal Matters

Convention of the Postal Union of the Americas and Spain, final protocol, and regulations of execution. Signed at Bogotá November 9, 1955. Entered into force March 1, 1956.

Signatures: Argentina,² Bolivia, Brazil,² Canada,² Chile,² Colombia, Costa Rica,² Cuba, Dominican Republic, Ecuador,² El Salvador, Guatemala, Haiti, Honduras,² Mexico, Nicaragua, Panama, Paraguay, Peru,² Spain, United States,² Uruguay,² Venezuela.

Agreement relative to parcel post, final protocol, and regulations of execution of the Postal Union of the Americas and Spain. Signed at Bogotá November 9, 1955. Entered into force March 1, 1956.

Signatures: Argentina, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Spain, United States,² Uruguay, Venezuela.

Agreement relative to money orders and final protocol of the Postal Union of the Americas and Spain. Signed at Bogotá November 9, 1955. Entered into force March 1, 1956.

Signatures: Argentina, Bolivia, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Spain, United States,² Uruguay, Venezuela.

¹ Not in force.

² With reservations.

Universal postal convention, with final protocol, annex, regulations of execution, and provisions regarding air-mail and final protocol thereto. Signed at Brussels July 11, 1952. Entered into force July 1, 1953. TIAS 2800.

Ratification deposited: Israel, January 27, 1956.

Weather

Convention of the World Meteorological Organization. Done at Washington October 11, 1947. Entered into force March 23, 1950. TIAS 2052.

Accession deposited: Korea, February 15, 1956.

BILATERAL

Austria

Agricultural commodities agreement. Signed at Vienna February 7, 1956. Entered into force February 7, 1956.

Egypt

Agreement further modifying the surplus agricultural commodities agreement of December 14, 1955 (TIAS 3439, 3496) by providing for the sale of approximately 120,000 metric tons of wheat to Egypt. Effected by exchange of notes at Washington February 17, 1956. Entered into force February 17, 1956.

THE DEPARTMENT

Designations

Ellis K. Allison as Facilitation, Travel, and Tourism Officer, Aviation Division, with responsibility for coordinating Department of State action concerning the encouragement of international travel and the reduction of border-crossing formalities, and Department representative on the Interdepartmental Committee on Foreign Travel, effective February 21.

THE FOREIGN SERVICE

Confirmations

The Senate on February 23 confirmed Douglas Maxwell Moffat to be Ambassador to Australia.

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Releases may be obtained from the News Division, Department of State, Washington 25, D. C.

No.	Date	Subject
92	2/25	Dulles: "Freedom's New Task."
*93	2/24	Program for President Gronchi's visit.
94	2/24	Negotiations for air transport agree- ment with Netherlands.
95	2/24	Civil aviation talks with U.K.
96	2/24	Dulles: testimony on Near East.

*Not printed.



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